

THE ONE HUNDRED AND NINTH DAY

CARSON CITY (Thursday), May 21, 2015

Assembly called to order at 1:03 p.m.

Mr. Speaker presiding.

Roll called.

All present.

Prayer by the Chaplain, Lieutenant Leslie Cyr.

Father God, we thank You for this day, and we invite you to be present in this place of government. We ask for Your leading and Your guidance to rest on these leaders of our state. We ask for Your spirit to bring peace and unity over the decisions that are being made and that You would grant them wisdom to see clearly the needs of Nevada and its people. We thank You, Father, for their service and the personal sacrifices they have made over these last several months and ask that You would bless them and their families as they finish these remaining weeks of session. We thank You, Lord, for our freedom and we pray that we may be taking the direction You would have for us. In the name of Jesus we pray.

AMEN.

Pledge of allegiance to the Flag.

Assemblyman Paul Anderson moved that further reading of the Journal be dispensed with and the Speaker and Chief Clerk be authorized to make the necessary corrections and additions.

Motion carried.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Commerce and Labor, to which were referred Senate Bills Nos. 68, 146, 273, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

RANDY KIRNER, *Chair*

Mr. Speaker:

Your Committee on Government Affairs, to which was referred Senate Bill No. 406, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Government Affairs, to which was referred Senate Bill No. 481, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOHN C. ELLISON, *Chair*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 58, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 444, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

IRA HANSEN, *Chair*

Mr. Speaker:

Your Committee on Transportation, to which was referred Senate Bill No. 404, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JIM WHEELER, *Chair*

Mr. Speaker:

Your Committee on Ways and Means, to which was referred Assembly Bill No. 470, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Ways and Means, to which was referred Assembly Bill No. 486, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Ways and Means, to which were referred Senate Bills Nos. 471, 472, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

PAUL ANDERSON, *Chair*

MESSAGES FROM THE SENATE

SENATE CHAMBER, Carson City, May 20, 2015

To the Honorable the Assembly:

I have the honor to inform your honorable body that the Senate on this day passed Assembly Bills Nos. 13, 120, 273.

SHERRY RODRIGUEZ
Assistant Secretary of the Senate

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Paul Anderson moved that all bills reported out of committee this legislative day be placed on the Second Reading File.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bills Nos. 183 and 314 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 402 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bills Nos. 19, 56, 168, and 181 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 348 be taken from the Second Reading File and placed on the Second Reading File for the next legislative day.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 423.

Bill read second time and ordered to third reading.

Senate Bill No. 6.

Bill read second time.

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

Amendment No. 845.

AN ACT relating to health care; requiring certain accreditation ~~or other official recognition~~ before a primary care practice may ~~operate~~ **represent itself** as a patient-centered medical home; ~~requiring each operator of a patient-centered medical home to spend a certain amount of his or her working hours providing primary health services for the patient-centered medical home; authorizing the State Board of Health to adopt regulations governing the operation of patient-centered medical homes; authorizing the Commissioner of Insurance to adopt regulations governing insurance coverage for health services provided through~~ **providing that certain acts by** patient-centered medical homes ~~is~~ **and insurers do not constitute unfair trade practices; authorizing the Advisory Council on the State Program for Wellness and the Prevention of Chronic Disease to establish an advisory group to study the delivery of health care through patient-centered medical homes;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 20.2 of this bill defines the term "patient-centered medical home" to mean a primary care practice that: (1) offers ~~family centered,~~ **patient-centered, continuous,** culturally competent **, evidence-based, comprehensive** health care that ~~is coordinated with outside practitioners and health facilities to provide comprehensive health services;~~ **coordinates the needs of the patient and uses enhanced communication strategies and health information technology;** and (2) emphasizes enhanced access to practitioners and preventive care to improve the outcomes for and experiences of patients and lower the costs of health services. **Section 20.2** also prohibits a primary care practice from representing itself as a patient-centered medical home unless ~~it is~~ **certified,** accredited **or otherwise officially recognized** as such by a nationally recognized organization for accrediting patient-centered medical homes ~~.~~ **;** and ~~(2) each physician or advanced practice registered nurse who operates a patient-centered medical home spends at least 60 percent of his or her working hours providing primary health services for the patient-centered medical home. Sections~~ **Additionally, section 20.2 [and 20.7] of this bill [authorize the State Board of Health and the Commissioner of Insurance to adopt regulations that govern the operation of patient-centered medical homes and insurance coverage for health services provided through patient-centered medical homes. Such regulations: (1) must allow for the operation of patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws; and (2) may allow for]** **authorizes** coordination between patient-centered medical homes and insurers and incentives provided by insurers to patient-centered medical homes that

would otherwise constitute unfair trade practices ~~to the extent that such coordination and incentives are authorized under federal law.~~

Existing law creates the Advisory Council on the State Program for Wellness and the Prevention of Chronic Disease and authorizes the Advisory Council to appoint committees or subcommittees to study issues relating to wellness and the prevention of chronic disease. (NRS 439.518, 439.519) Section 20.1 of this bill authorizes the State Board and the Commissioner to adopt regulations exempting insurance coverage for health services provided through patient centered medical homes from certain prohibitions on inducements to insurance. Advisory Council to establish an advisory group of interested persons and governmental entities to study the delivery of health care through patient-centered medical homes.

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. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 20.1. NRS 439.519 is hereby amended to read as follows:

439.519 1. The members of the Advisory Council serve terms of 2 years.
A member may be reappointed to serve not more than two additional, consecutive terms.

2. A majority of the voting members of the Advisory Council shall select a Chair and a Vice Chair of the Advisory Council.

3. A majority of the voting members of the Advisory Council may:

(a) Appoint committees or subcommittees to study issues relating to wellness and the prevention of chronic disease.

(b) Remove a nonlegislative member of the Advisory Council for failing to carry out the business of, or serve the best interests of, the Advisory Council.

(c) Establish an advisory group of interested persons and governmental entities to study the delivery of health care through patient-centered medical homes. Interested persons and governmental entities that serve on the advisory group may include, without limitation:

(1) Public health agencies;

(2) Public and private insurers;

(3) Providers of primary care, including, without limitation, physicians and advanced practice registered nurses who provide primary care; and

(4) Recipients of health care services.

4. The Division shall, within the limits of available money, provide the necessary professional staff and a secretary for the Advisory Council.

5. A majority of the voting members of the Advisory Council constitutes a quorum to transact all business, and a majority of those voting members present, physically or via telecommunications, must concur in any decision.

6. The Advisory Council shall, within the limits of available money, meet at the call of the Administrator, the Chair or a majority of the voting members of the Advisory Council quarterly or as is necessary.

7. The members of the Advisory Council serve without compensation, except that each member is entitled, while engaged in the business of the Advisory Council and within the limits of available money, to the per diem allowance and travel expenses provided for state officers and employees generally.

8. As used in this section, "patient-centered medical home" has the meaning ascribed to it in section 20.2 of this act.

Sec. 20.2. Chapter 439A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A primary care practice shall not represent itself as a patient-centered medical home unless ~~it~~

~~—(a) The~~ the primary care practice is certified, accredited or otherwise officially recognized as a patient-centered medical home by a nationally recognized organization for the accrediting of patient-centered medical homes. ~~It and~~

~~—(b) Each physician or advanced practice registered nurse who operates a patient-centered medical home spends at least 60 percent of his or her working hours providing primary health services for the patient centered medical home.~~

2. The Department shall post on an Internet website maintained by the Department links to nationally recognized organizations for the accrediting of patient-centered medical homes and any other information specified by the Department to allow patients to find a patient-centered medical home that meets the requirements of this section and any regulations adopted pursuant thereto.

~~3. [The State Board of Health may, in consultation with the Commissioner of Insurance, adopt regulations governing the operation of patient-centered medical homes. Such regulations must allow for the operation of patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws, and may, without limitation, establish:~~

~~—(a) An advisory council to provide input to the Department concerning patient-centered medical homes; and~~

~~—(b) Means of measuring the quality of health services provided by patient-centered medical homes and the effectiveness of patient-centered medical homes at reducing the cost of health services.~~

~~4.] Any coordination between an insurer and a patient-centered medical home or acceptance of an incentive from an insurer by a patient-centered medical home that is authorized [under the regulations adopted pursuant to this section and section 20.7 of this act] by federal law shall not be deemed to be an unfair method of competition or an unfair or deceptive trade practice or other act or practice prohibited by the provisions of chapter 598 or 686A of NRS.~~

~~{5.}~~ 4. As used in this section:

(a) “Patient-centered medical home” means a primary care practice that:

(1) Offers ~~{family-centered,}~~ patient-centered, continuous, culturally competent [health services that are coordinated with outside practitioners and health facilities to provide], evidence-based, comprehensive health [services,] care that is led by a provider of primary care and a team of health care providers, coordinates the health care needs of the patient and uses enhanced communication strategies and health information technology; and

(2) Emphasizes enhanced access to practitioners and preventive care to improve the outcomes for and experiences of patients and lower the costs of health services.

(b) “Primary care practice” means a federally-qualified health center, as defined in 42 U.S.C. ~~{1396(l)(2)(B),}~~ 1396d(l)(2)(B), or a business where health services are provided by one or more advanced practice registered nurses or one or more physicians who are licensed pursuant to chapter 630 or 633 of NRS and who practice in the area of family practice, internal medicine ~~[, obstetrics and gynecology]~~ or pediatrics.

Sec. 20.7. ~~[Chapter 679B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Commissioner may, in consultation with the State Board of Health, adopt regulations governing insurance coverage for health services provided to patients through a patient-centered medical home. Such regulations must facilitate the operation of patient-centered medical homes and the coverage for health services provided through patient-centered medical homes to the greatest extent authorized by federal and state antitrust laws. Such regulations must not require an insurer to cover health services~~

~~provided through patient centered medical homes and may, without limitation, authorize an insurer to:~~

~~—(a) Provide an incentive to a patient centered medical home that offers health services to its insureds. The regulations may prescribe the manner in which such an incentive must be provided and the maximum amount of the incentive.~~

~~—(b) Pay a patient centered medical home for services associated with the coordination of care for any health services provided to an insured.~~

~~—(c) With the authorization of an insured, share health care records and other related information about an insured who has elected to receive health services from a patient centered medical home with the patient centered medical home and any other practitioner or health facility that provides health services to the insured.~~

~~—2. Any coordination between an insurer and a patient centered medical home or provision of an incentive by an insurer to a patient centered medical home that is authorized under the regulations adopted pursuant to this section and section 20.2 of this act shall not be deemed to be an unfair method of competition or an unfair or deceptive trade practice or other act or practice prohibited by the provisions of chapter 598 or 686A of NRS.~~

~~—3. As used in this section:~~

~~—(a) “Health services” has the meaning ascribed to it in NRS 439A.017.~~

~~—(b) “Patient centered medical home” means a primary care practice that:~~

~~—(1) Offers family centered, culturally competent health services that are coordinated with outside practitioners and health facilities to provide comprehensive health services; and~~

~~—(2) Emphasizes enhanced access to practitioners and preventive care to improve outcomes and experience for patients and lower the costs of health services.~~ (Deleted by amendment.)

Sec. 21. [NRS 686A.110 is hereby amended to read as follows:

~~—686A.110 Except as otherwise expressly provided by law [,] and any regulations adopted pursuant to section 20.7 of this act, no person shall knowingly:~~

~~—1. Permit to be made or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, or knowingly accept, as an inducement to such insurance or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any paid employment or contract for services of any kind, or any valuable consideration or inducement whatever not specified in the contract; or~~

~~—2. Directly or indirectly give or sell or purchase or offer or agree to give, sell, purchase, or allow as an inducement to such insurance or annuity or in connection therewith, whether or not to be specified in the policy or contract, any agreement of any form or nature promising returns and profits, or any~~

~~stocks, bonds or other securities, or interest present or contingent therein or as measured thereby, of any insurer or other corporation, association or partnership, or any dividends or profits accrued or to accrue thereon.}] (Deleted by amendment.)~~

~~Sec. 21.5. [NRS 690C.120 is hereby amended to read as follows:~~

~~690C.120 1. Except as otherwise provided in this chapter, the marketing, issuance, sale, offering for sale, making, proposing to make and administration of service contracts are not subject to the provisions of title 57 of NRS, except, when applicable, the provisions of:~~

~~(a) NRS 679B.020 to 679B.152, inclusive [;], and section 20.7 of this act;~~

~~(b) NRS 679B.159 to 679B.300, inclusive;~~

~~(c) NRS 679B.310 to 679B.370, inclusive;~~

~~(d) NRS 679B.600 to 679B.690, inclusive;~~

~~(e) NRS 685B.090 to 685B.190, inclusive;~~

~~(f) NRS 686A.010 to 686A.095, inclusive;~~

~~(g) NRS 686A.160 to 686A.187, inclusive; and~~

~~(h) NRS 686A.260, 686A.270, 686A.280, 686A.300 and 686A.310.~~

~~2. A provider, person who sells service contracts, administrator or any other person is not required to obtain a certificate of authority from the Commissioner pursuant to chapter 680A of NRS to issue, sell, offer for sale or administer service contracts.}] (Deleted by amendment.)~~

~~Sec. 22. (Deleted by amendment.)~~

~~Sec. 23. This act becomes effective upon passage and approval.~~

Assemblyman Oscarson moved the adoption of the amendment.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

This amendment revises the definition of “patient-centered medical home,” clarifies that a home be certified or otherwise officially recognized by a national accrediting organization, removes the requirement for adoption of regulations, and authorizes the Advisory Council on the State Program for Wellness and the Prevention of Chronic Disease to establish an advisory group to study the delivery of health care through patient-centered medical homes.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 15.

Bill read second time.

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

Amendment No. 891.

AN ACT relating to health care professionals; requiring a mental health professional to apply for the emergency admission of his or her patient to a mental health facility or **make a reasonable attempt to** notify certain persons when his or her patient makes explicit threats of imminent serious physical harm or death in certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes various requirements and duties on certain health care professionals. (Chapter 629 of NRS) If a patient communicates a threat of imminent serious physical harm or death to a mental health professional and the mental health professional believes that the patient has the intent and ability to carry out the threat, this bill requires the mental health professional to: (1) apply for the emergency admission of the patient to a mental health facility; or (2) **make a reasonable attempt to** notify the person threatened with imminent serious physical harm or death and the closest law enforcement agency. This bill also provides that a mental health professional who exercises reasonable care in determining whether to apply for the emergency admission of such a patient or communicate such a threat is not subject to civil or criminal liability or disciplinary action by a professional licensing board for disclosing confidential or privileged information or for any damages caused by the actions of a patient.

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

Section 1. Chapter 629 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a patient communicates to a mental health professional an explicit threat of imminent serious physical harm or death to a clearly identified or identifiable person and, in the judgment of the mental health professional, the patient has the intent and ability to carry out the threat, the mental health professional shall apply for the emergency admission of the patient to a mental health facility pursuant to NRS 433A.160 or make a reasonable effort to communicate the threat in a timely manner to:

(a) The person who is the subject of the threat;

(b) The law enforcement agency with the closest physical location to the residence of the person; and

(c) If the person is a minor, the parent or guardian of the person.

2. A mental health professional shall be deemed to have made a reasonable effort to communicate a threat pursuant to subsection 1 if:

(a) The mental health professional actually communicates the threat in a timely manner; or

(b) The mental health professional makes a good faith attempt to communicate the threat in a timely manner and the failure to actually communicate the threat in a timely manner does not result from the negligence or recklessness of the mental health professional.

3. A mental health professional who exercises reasonable care in determining that he or she:

(a) Has a duty to take an action described in subsection 1 is not subject to civil or criminal liability or disciplinary action by a professional licensing board for disclosing confidential or privileged information.

(b) Does not have a duty to take an action described in subsection 1 is not subject to civil or criminal liability or disciplinary action by a professional licensing board for any damages caused by the actions of a patient.

~~§ 4.~~ 4. The provisions of this section do not:

(a) Limit or affect the duty of the mental health professional to report child abuse or neglect pursuant to NRS 432B.220; or

(b) Modify any duty of a mental health professional to take precautions to prevent harm by a patient:

(1) Who is in the custody of a hospital or other facility where the mental health professional is employed; or

(2) Who is being discharged from such a facility.

~~§ 5.~~ 5. As used in this section, “mental health professional” means:

(a) A physician licensed to practice medicine in this State pursuant to chapter 630 or 633 of NRS;

(b) A psychologist who is licensed to practice psychology pursuant to chapter 641 of NRS;

(c) A social worker who:

(1) Holds a master’s degree in social work; and

(2) Is licensed as a clinical social worker pursuant to chapter 641B of NRS;

(d) A registered nurse who:

(1) Is licensed to practice professional nursing pursuant to chapter 632 of NRS; and

(2) Holds a master’s degree in psychiatric nursing or a related field;

(e) A marriage and family therapist licensed pursuant to chapter 641A of NRS;

(f) A clinical professional counselor licensed pursuant to chapter 641A of NRS;

~~(g) An alcohol and drug abuse counselor who is licensed or certified, or a clinical alcohol and drug abuse counselor who is licensed, pursuant to chapter 641C of NRS; and~~

~~(h)~~ A person who is working in this State within the scope of his or her employment by the Federal Government, including, without limitation, employment with the Department of Veterans Affairs, the military or the Indian Health Service, and is:

(1) Licensed or certified as a physician, psychologist, marriage and family therapist ~~or~~ or clinical professional counselor ~~or alcohol and drug abuse counselor or clinical alcohol and drug abuse counselor~~ in another state;

(2) Licensed as a social worker in another state and holds a master’s degree in social work; or

(3) Licensed to practice professional nursing in another state and holds a master’s degree in psychiatric nursing or a related field.

Assemblyman Oscarson moved the adoption of the amendment.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

This amendment expands upon what constitutes a reasonable effort made by a mental health professional. It removes alcohol and drug abuse counselors from the list of mental health professionals defined in the bill and clarifies that a person employed by the federal government includes employment with the VA [Department of Veterans Affairs], military, or Indian Health Service.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 67.

Bill read second time.

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

Amendment No. 757.

AN ACT relating to insurance; adopting the provisions of various model laws and acts of the National Association of Insurance Commissioners; setting forth the manner in which the Commissioner of Insurance may adopt the *Valuation Manual* adopted by the National Association of Insurance Commissioners; revising provisions regarding the confidentiality of certain information and materials provided to the Division of Insurance of the Department of Business and Industry; revising provisions regarding the requirements for annual financial statements filed by self-insured ~~groups~~ **employers** for workers' compensation; revising provisions regarding licensing requirements; revising provisions regarding the cash value of policies of life insurance; allowing insurer's to issue electronic proof of insurance certificates for automobiles; revising provisions governing state-chartered risk retention groups; authorizing the Division to access certain sealed records of licensees and applicants for licenses; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1-18 of this bill make changes to chapter 681A of NRS in conformance with amendments to the National Association of Insurance Commissioners' Credit for Reinsurance Model Law. **Sections 23-39.5 and 41** of this bill adopt certain provisions of the National Association of Insurance Commissioners' Standard Valuation Law. **Section 33.7** of this bill describes the *Valuation Manual* and sets forth the criteria for determining the date on which the *Valuation Manual* becomes operative. **Sections 33.3 and 33.7-36** of this bill describe the minimum standards for the valuation of reserves associated with policies and contracts of insurance issued on or after the operative date of the *Valuation Manual*. **Section 33.5** of this bill sets forth the requirements for actuarial opinions of reserves prepared after the operative date of the *Valuation Manual*. **Sections 40.15-40.43** of this bill revise certain existing provisions to apply before the operative date of the *Valuation Manual*,

as specified. **Section 41** makes changes regarding the confidentiality of documents and information which constitute a memorandum in support of an actuarial opinion submitted by an insurer to the Commissioner pursuant to NRS 681B.230, including materials provided by the insurer to the Commissioner in connection with the memorandum. **Sections 43-230** of this bill adopt the provisions of the National Association of Insurance Commissioners' Investments of Insurers Model Act (Defined Limits Version). **Sections 233 and 318** of this bill make changes to the requirements for insurance administrators and self-insured employers for workers' compensation when filing their annual financial statements. **Sections 234-238** of this bill make various changes to the licensing requirements for producers of insurance. **Sections 241-253** of this bill adopt certain provisions of the National Association of Insurance Commissioners' Life and Health Insurance Guaranty Association Model Act. **Sections 254 and 256** of this bill add coverage for assumed claims transactions to the Nevada Insurance Guaranty Association. **Section 258** of this bill makes changes to certain provisions relating to the cash values of policies of life insurance. **Sections 263 and 317** of this bill allow insurers to provide electronic proof of insurance certificates for motor vehicles. **Sections 265-289** of this bill adopt the provisions of the National Association of Insurance Commissioners' Risk Management and Own Risk and Solvency Assessment Model Act. **Sections 290-303** of this bill adopt various amendments to the National Association of Insurance Commissioners' Insurance Holding Company System Regulatory Act. **Sections 307-311** of this bill make changes regarding state-chartered risk retention groups. **Sections 312 and 313** of this bill authorize the Division of Insurance of the Department of Business and Industry to inspect certain sealed records to determine the suitability of an applicant for a license or the discipline of a licensee for misconduct. **Section 319** of this bill repeals various provisions of existing law which are replaced by various sections of this bill.

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

Section 1. 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, including, without limitation, an insurer that is exempt from federal taxation pursuant to 26 U.S.C. § 501(c)(29), 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

(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.]~~ **sections 174 to 177, inclusive, of this act.**

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.

6. For the purposes of subsection 1, any insurer that is exempt from federal taxation pursuant to 26 U.S.C. § 501(c)(29) and is restricted or prohibited from purchasing or owning real property pursuant to a contract with the Federal Government, including any entity thereof, shall be deemed to own any portion of any real property that the insurer occupies. The provisions of this subsection expire upon the expiration, cancellation, repayment or any other termination of the contract restricting or prohibiting such purchase or ownership.

Sec. 2. NRS 680C.110 is hereby amended to read as follows:

680C.110 1. In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.

2. A fee required by this section must be:

(a) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;

(b) If an annual fee, paid on or before March 1 of every year;

(c) If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and

(d) Deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.

3. The fees required pursuant to this section are not refundable.

4. The following fees must be paid by the following persons to the Commissioner:

(a) Associations of self-insured private employers, as defined in NRS 616A.050:

- (1) Initial fee \$1,300
- (2) Annual fee \$1,300

(b) Associations of self-insured public employers, as defined in NRS 616A.055:

- (1) Initial fee \$1,300
- (2) Annual fee \$1,300

(c) Independent review organizations, as provided for in NRS 616A.469 or 683A.3715, or both:

- (1) Initial fee \$60
- (2) Annual fee \$60

(d) Insurers not otherwise provided for in this subsection:

- (1) Initial fee \$1,300
- (2) Annual fee \$1,300

(e) Producers of insurance, as defined in NRS 679A.117:

- (1) Initial fee \$60
- (2) Triennial fee \$60

(f) ~~Accredited reinsurers,~~ **Reinsurers**, as provided for in NRS 681A.160 ~~or section 5 of this act, as applicable:~~

- (1) Initial fee \$1,300
- (2) Annual fee \$1,300

(g) Intermediaries, as defined in NRS 681A.330:

- (1) Initial fee \$60
- (2) Triennial fee \$60

(h) Reinsurers, as defined in NRS 681A.370:

- (1) Initial fee \$1,300
- (2) Annual fee \$1,300

(i) Administrators, as defined in NRS 683A.025:

- (1) Initial fee \$60
- (2) Triennial fee \$60

(j) Managing general agents, as defined in NRS 683A.060:

- (1) Initial fee \$60
- (2) Triennial fee \$60

(k) Agents who perform utilization reviews, as defined in NRS 683A.376:

- (1) Initial fee \$60
- (2) Annual fee \$60

(l) Insurance consultants, as defined in NRS 683C.010:

(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
(m) Independent adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
(n) Public adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
(o) Associate adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
(p) Motor vehicle physical damage appraisers, as defined in NRS 684B.010:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
(q) Brokers, as defined in NRS 685A.031:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~(r) Eligible surplus line insurers, as provided for in NRS 685A.070:~~	
<del> (1) Initial fee.....</del>	~~\$1,300~~
<del> (2) Annual fee.....</del>	~~\$1,300~~
~~(s) Companies, as defined in NRS 686A.330:~~	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
~~((t)) (s) Rate service organizations, as defined in NRS 686B.020:~~	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
~~((u)) (t) Brokers of viatical settlements, as defined in NRS 688C.030:~~	
(1) Initial fee.....	\$60
(2) Annual fee.....	\$60
~~((v)) (u) Providers of viatical settlements, as defined in NRS 688C.080:~~	
(1) Initial fee.....	\$60
(2) Annual fee.....	\$60
~~((w)) (v) Agents for prepaid burial contracts subject to the provisions of chapter 689 of NRS:~~	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~((x)) (w) Agents for prepaid funeral contracts subject to the provisions of chapter 689 of NRS:~~	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60

~~[(y)]~~ **(x)** Sellers of prepaid burial contracts subject to the provisions of chapter 689 of NRS:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(z)]~~ **(y)** Sellers of prepaid funeral contracts subject to the provisions of chapter 689 of NRS:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(aa)]~~ **(z)** Providers, as defined in NRS 690C.070:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(bb)]~~ **(aa)** Escrow officers, as defined in NRS 692A.028:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(cc)]~~ **(bb)** Title agents, as defined in NRS 692A.060:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(dd)]~~ **(cc)** Captive insurers, as defined in NRS 694C.060:

- (1) Initial fee..... \$250
- (2) Annual fee..... \$250

~~[(ee)]~~ **(dd)** Fraternal benefit societies, as defined in NRS 695A.010:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(ff)]~~ **(ee)** Insurance agents for societies, as provided for in NRS 695A.330:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(gg)]~~ **(ff)** Corporations subject to the provisions of chapter 695B of NRS:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(hh)]~~ **(gg)** Health maintenance organizations, as defined in NRS 695C.030:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(ii)]~~ **(hh)** Organizations for dental care, as defined in NRS 695D.060:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(jj)]~~ **(ii)** Purchasing groups, as defined in NRS 695E.100:

- (1) Initial fee..... \$250
- (2) Annual fee..... \$250

~~[(kk)]~~ **(jj)** Risk retention groups, as defined in NRS 695E.110:

- (1) Initial fee..... \$250
- (2) Annual fee..... \$250

~~[(ll)]~~ **(kk)** Prepaid limited health service organizations, as defined in NRS 695F.050:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(mm)]~~ **(ll)** Medical discount plans, as defined in NRS 695H.050:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(nn)]~~ **(mm)** Club agents, as defined in NRS 696A.040:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(oo)]~~ **(nn)** Motor clubs, as defined in NRS 696A.050:

- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300

~~[(pp)]~~ **(oo)** Bail agents, as defined in NRS 697.040:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(qq)]~~ **(pp)** Bail enforcement agents, as defined in NRS 697.055:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(rr)]~~ **(qq)** Bail solicitors, as defined in NRS 697.060:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(ss)]~~ **(rr)** General agents, as defined in NRS 697.070:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

~~[(tt)]~~ **(ss)** Exchange enrollment facilitators, as defined in NRS 695J.050:

- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60

Sec. 3. Chapter 681A of NRS is hereby amended by adding thereto the provisions set forth as sections 4 to 12, inclusive, of this act.

Sec. 4. *Credit must be allowed when the reinsurance is ceded to an assuming insurer that has been certified by the Commissioner as a reinsurer in this State and secures its obligations in accordance with the requirements of this chapter.*

Sec. 5. *To be eligible for certification, an assuming insurer must:*

1. *Be domiciled and licensed to transact insurance or reinsurance in a qualified jurisdiction, as determined by the Commissioner pursuant to section 7 of this act;*

2. *Maintain minimum capital and surplus, or its equivalent, in an amount to be determined by the Commissioner;*

3. *Maintain financial strength ratings from two or more rating agencies deemed acceptable by the Commissioner;*

4. Agree to submit to the jurisdiction of this State, appoint the Commissioner as its agent for service of process in this State and agree to provide security for 100 percent of the assuming insurer's liabilities attributable to reinsurance ceded by ceding insurers in the United States for use if the assuming insurer resists enforcement of a final judgment rendered by any court of competent jurisdiction in the United States;

5. Agree to meet applicable information filing requirements as determined by the Commissioner, both with respect to an initial application for certification and on an ongoing basis; and

6. Satisfy any other requirements for certification deemed relevant by the Commissioner.

Sec. 6. An association that includes incorporated and individual unincorporated underwriters may be a certified reinsurer. In addition to satisfying the requirements of section 5 of this act, to be eligible for certification:

1. The association must satisfy its minimum capital and surplus requirements through the capital and surplus equivalents, net of liabilities, of the association and its members, which must include a joint central fund that may be applied to any unsatisfied obligation of the association or any of its members, in an amount determined by the Commissioner to provide adequate protection;

2. The incorporated members of the association must not engage in any business other than underwriting as a member of the association and are subject to the same level of regulation and solvency control by the association's domiciliary regulator as are the unincorporated members; and

3. Within 90 days after its financial statements are due to be filed with the association's domiciliary regulator, the association must provide to the Commissioner an annual certification by the association's domiciliary regulator of the solvency of each underwriter member or, if a certification is unavailable, financial statements prepared by independent public accountants of each underwriter member.

Sec. 7. 1. The Commissioner shall create and publish a list of qualified jurisdictions, pursuant to which an assuming insurer licensed and domiciled in such jurisdiction is eligible to be considered for certification by the Commissioner as a certified reinsurer.

2. In order to determine whether the domiciliary jurisdiction of an alien assuming insurer is eligible to be recognized as a qualified jurisdiction, the Commissioner shall evaluate the appropriateness and effectiveness of the reinsurance supervisory system of the jurisdiction, both initially and on an ongoing basis, and consider the rights, benefits and extent of reciprocal recognition afforded by the alien jurisdiction to reinsurers licensed and domiciled in the United States. A qualified jurisdiction must agree to share information and cooperate with the Commissioner with respect to all certified reinsurers domiciled within that jurisdiction. A jurisdiction may not be recognized as a qualified jurisdiction if the Commissioner has determined

that the jurisdiction does not adequately and promptly enforce final judgments rendered by a court of competent jurisdiction in the United States. Additional factors may be considered at the discretion of the Commissioner.

3. The Commissioner may consider the list of qualified jurisdictions maintained by the National Association of Insurance Commissioners in determining qualified jurisdictions.

4. Any jurisdictions that meet the requirements for accreditation pursuant to the National Association of Insurance Commissioners' financial standards and accreditation program must be recognized as qualified jurisdictions.

5. If a certified reinsurer's domiciliary jurisdiction ceases to be a qualified jurisdiction, the Commissioner may suspend or revoke the reinsurer's certification.

Sec. 7.5. The Commissioner shall:

1. Assign a rating to each certified reinsurer, giving due consideration to the financial strength ratings which have been assigned to certified reinsurers by rating agencies that the Commissioner deems acceptable pursuant to regulations adopted by the Commissioner; and

2. Publish a list of all certified reinsurers and the ratings that he or she has assigned to those certified reinsurers.

Sec. 8. 1. *For a domestic ceding insurer to qualify for full financial statement credit for reinsurance ceded to a certified reinsurer, the certified reinsurer shall maintain security in a form acceptable to the Commissioner and consistent with the provisions of NRS 681A.240 or, in a multi-beneficiary trust, pursuant to NRS 681A.180 and 681A.190, except as otherwise provided in sections 4 to 10, inclusive, of this act.*

2. If a certified reinsurer maintains a trust to fully secure its obligations subject to NRS 681A.180 and 681A.190, and chooses to secure its obligations incurred as a certified reinsurer in the form of a multi-beneficiary trust, the certified reinsurer shall maintain separate trust accounts for its obligations incurred under reinsurance agreements issued or renewed as a certified reinsurer with reduced security as permitted by this section or comparable laws of other jurisdictions in the United States and for its obligations subject to NRS 681A.180 and 681A.190. It is a condition of the grant of certification pursuant to sections 4 to 10, inclusive, of this act that the certified reinsurer shall have bound itself, by the language of the trust and agreement with the commissioner of insurance of the state with principal regulatory authority over each trust account, to fund, upon termination of any such trust account, out of the remaining surplus of such trust any deficiency of any other such trust account.

3. The minimum trusteed surplus requirements provided in NRS 681A.180 and 681A.190 are not applicable with respect to a multi-beneficiary trust maintained by a certified reinsurer for the purpose of securing obligations incurred pursuant to sections 4 to 10, inclusive, of this

act, except that the trust shall maintain a minimum trustee surplus of \$10,000,000.

4. With respect to obligations incurred by a certified reinsurer pursuant to sections 4 to 10, inclusive, of this act, if the security is insufficient, the Commissioner shall reduce the allowable credit by an amount proportionate to the deficiency and may impose further reductions in allowable credit upon finding that there is a material risk that the certified reinsurer's obligations will not be paid in full when due.

5. For the purposes of sections 4 to 10, inclusive, of this act, a certified reinsurer whose certification has been terminated for any reason shall be treated as a certified reinsurer required to secure 100 percent of its obligations.

6. If the Commissioner continues to assign a higher rating as permitted by other provisions of NRS 681A.150 to 681A.190, inclusive, and sections 4 to 10, inclusive, of this act, this requirement does not apply to a certified reinsurer in inactive status or to a reinsurer whose certification has been suspended.

7. A certified reinsurer shall secure obligations assumed from ceding insurers in the United States under this section at a level consistent with the rating of the certified reinsurer, as specified in regulations adopted by the Commissioner.

8. As used in this section, "terminated" means the revocation, suspension, voluntary surrender or inactive status of a reinsurer's certification.

Sec. 9. If an applicant for certification has been certified as a reinsurer in a National Association of Insurance Commissioners accredited jurisdiction, the Commissioner has the discretion to defer to that jurisdiction's certification, and has the discretion to defer to the rating assigned by that jurisdiction, and such assuming insurer shall be considered to be certified in this State.

Sec. 10. A certified reinsurer that ceases to assume new business in this State may request to maintain its certification in inactive status to continue to qualify for a reduction in security for its in-force business. An inactive certified reinsurer must continue to comply with all applicable requirements of NRS 681A.150 to 681A.190, inclusive, and sections 4 to 10, inclusive, of this act, and the Commissioner shall assign a rating that takes into account, if relevant, the reasons why the reinsurer is not assuming new business.

Sec. 11. Credit must be allowed when the reinsurance is ceded to an assuming insurer not meeting the requirements of NRS 681A.150 to 681A.190, inclusive, and sections 4 to 10, inclusive, of this act, but only as to the insurance of risks located in jurisdictions where the reinsurance is required by applicable law or regulation of that jurisdiction.

Sec. 12. 1. A ceding insurer shall take steps to manage its reinsurance recoverables proportionate to its own book of business. A domestic ceding insurer shall notify the Commissioner within 30 days after reinsurance

recoverables from any single assuming insurer, or group of affiliated assuming insurers, exceeds 50 percent of the domestic ceding insurer's last reported surplus to policyholders, or after it is determined that reinsurance recoverables from any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification must demonstrate that the exposure is safely managed by the domestic ceding insurer.

2. A ceding insurer shall take steps to diversify its reinsurance program. A domestic ceding insurer shall notify the Commissioner within 30 days after ceding to any single assuming insurer, or group of affiliated assuming insurers, more than 20 percent of the ceding insurer's gross written premium in the preceding calendar year, or after it has determined that the reinsurance ceded to any single assuming insurer, or group of affiliated assuming insurers, is likely to exceed this limit. The notification must demonstrate that the exposure is safely managed by the domestic ceding insurer.

Sec. 13. NRS 681A.130 is hereby amended to read as follows:

681A.130 The Commissioner may adopt regulations to carry out the provisions of NRS 681A.110 to 681A.560, inclusive ~~¶~~, **and sections 4 to 12, inclusive, of this act.**

Sec. 14. NRS 681A.140 is hereby amended to read as follows:

681A.140 As used in NRS 681A.140 to 681A.240, inclusive, **and sections 4 to 12, inclusive, of this act**, "qualified financial institution in the United States" means an institution that:

1. Is organized, or in the case of a branch or agency of a foreign banking organization in the United States licensed, under the laws of the United States or any state thereof and has been granted authority to operate with fiduciary powers;

2. Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and trust companies;

3. Is determined:

(a) By the Commissioner to meet the standards of financial condition and standing prescribed by the Commissioner; or

(b) By the National Association of Insurance Commissioners to meet the standards of financial condition and standing prescribed by the National Association of Insurance Commissioners; and

4. Is determined by the Commissioner to be otherwise acceptable.

Sec. 15. NRS 681A.150 is hereby amended to read as follows:

681A.150 No credit may be taken as an asset or as a deduction from liability on account of reinsurance unless the reinsurer is authorized to transact insurance or reinsurance in this state or the requirements of NRS 681A.160 ~~¶ 681A.170, 681A.180 or~~ **to 681A.190, inclusive, and sections 4 to 10, inclusive, of this act**, and in any of these cases the requirements of NRS 681A.200 and 681A.210 also are met.

Sec. 16. NRS 681A.160 is hereby amended to read as follows:

681A.160 1. Except as otherwise provided in subsection 2, credit must be allowed if reinsurance is ceded to an assuming insurer which is accredited as a reinsurer in this state. An accredited reinsurer is one which ~~it~~ **satisfies all of the following conditions:**

(a) Files with the Commissioner ~~that~~ **a properly executed form approved by the Commissioner, Form AR-1, provided on the Internet website of the Division,** as evidence of its submission to this state's jurisdiction. ~~it~~

(b) Submits to this state's authority to examine its books and records. ~~it~~

(c) Files with the Commissioner a certified copy of a certificate of authority or other evidence approved by the Commissioner indicating that it is licensed to transact insurance or reinsurance in at least one state, or in the case of a branch in the United States of an alien assuming insurer is entered through and licensed to transact insurance or reinsurance in at least one state. ~~it~~

(d) Files annually with the Commissioner a copy of its annual statement filed with the Division of its state of domicile or entry and a copy of its most recent audited financial statement. ~~it~~

(e) ~~Maintains~~ **Demonstrates to the satisfaction of the Commissioner that it has adequate financial capacity to meet its reinsurance obligations and is otherwise qualified to assume reinsurance from domestic insurers. An assuming insurer is deemed to meet this requirement as of the time of its application if it maintains** a surplus as regards policyholders in an amount which is:

(1) Not less than \$20,000,000 and whose accreditation has not been denied by the Commissioner within 90 days after its submission; or

(2) Less than \$20,000,000 and whose accreditation has been approved by the Commissioner. ~~it and~~

(f) Pays all applicable fees, including, without limitation, all applicable fees required pursuant to NRS 680C.110.

2. ~~No credit may be allowed for a domestic ceding insurer if the assuming insurer's accreditation has been revoked by the Commissioner after notice and a hearing.~~ **If an accredited or certified reinsurer ceases to meet the requirements for accreditation or certification, the Commissioner may suspend or revoke the reinsurer's accreditation or certification. Before suspending or revoking the reinsurer's accreditation or certification, the Commissioner must give the reinsurer notice and opportunity for a hearing.**

3. **The suspension or revocation of an accreditation or certification may not take effect until after the Commissioner's order on hearing unless:**

(a) **The reinsurer waives its right to a hearing;**

(b) **The Commissioner's order is based upon regulatory action taken by the reinsurer's domiciliary jurisdiction or the voluntary surrender or termination of the reinsurer's eligibility to transact insurance or reinsurance business in its domiciliary jurisdiction or in the primary certifying state of the reinsurer; or**

(c) The Commissioner finds that an emergency requires immediate action and a court of competent jurisdiction has not stayed the Commissioner's action.

4. During the period in which a reinsurer's accreditation or certification is suspended, no reinsurance contract issued or renewed after the effective date of the suspension qualifies for credit except to the extent that the reinsurer's obligations under the contract are secured pursuant to NRS 681A.240. If the reinsurer's accreditation or certification is revoked, no credit for reinsurance may be granted after the effective date of the revocation except to the extent that the reinsurer's obligations under the contract are secured pursuant to NRS 681A.240.

Sec. 17. NRS 681A.170 is hereby amended to read as follows:

681A.170 1. Except as otherwise provided in subsection 2, credit must be allowed if reinsurance is ceded to an assuming insurer which is domiciled and licensed in, or in the case of a branch in the United States of an alien assuming insurer is entered through, a state which employs standards regarding credit for reinsurance substantially similar to those applicable under this chapter and the assuming insurer or branch in the United States of an alien assuming insurer:

(a) Maintains a surplus as regards policyholders in an amount not less than \$20,000,000; ~~and~~

(b) Submits to the authority of this state to examine its books and records ~~}; and~~

(c) Files with the Commissioner a properly executed Form AR-1, provided on the Internet website of the Division, as evidence of its submission to this State's jurisdiction.

2. The requirement of paragraph (a) of subsection 1 does not apply to reinsurance ceded and assumed pursuant to pooling among insurers affiliated with the same holding company.

Sec. 18. NRS 681A.180 is hereby amended to read as follows:

681A.180 1. Except as otherwise provided in subsection ~~{4,}~~ 5, credit must be allowed if reinsurance is ceded to an assuming insurer which maintains a trust fund in a qualified financial institution in the United States for the payment of the valid claims of its policyholders and ceding insurers in the United States, their assigns and successors in interest. The assuming insurer shall:

(a) Report annually to the Commissioner information substantially the same as that required to be reported on the National Association of Insurance Commissioners' form of annual statement by licensed insurers to enable the Commissioner to determine the sufficiency of the trust fund; and

(b) Submit to the authority of the Commissioner to examine its books and records.

2. In the case of a single assuming insurer ~~{the}~~:

(a) *The trust must consist of an account in trust equal to the assuming insurer's liabilities attributable to business written in the United States and the assuming insurer shall maintain a surplus in trust of not less than \$20,000,000.*

(b) *Three years after the assuming insurer has permanently discontinued underwriting new business secured by the trust, the commissioner of insurance of the state with principal regulatory authority over the trust may, at any time, authorize a reduction in the required trustee surplus, but only after finding, based on the assessment of the risk, that the new required surplus level is adequate for the protection of ceding insurers, policyholders and claimants in the United States in light of a reasonably adverse loss development. The risk assessment may involve an actuarial review, including an independent analysis of reserves and cash flows, and must consider all material risk factors, including, as applicable, the lines of business involved, the stability of the incurred loss estimates and the effect of the surplus requirements on the assuming insurer's liquidity or solvency. The minimum required trustee surplus may not be reduced to an amount less than 30 percent of the assuming insurer's liabilities attributable to reinsurance ceded by ceding insurers domiciled in the United States and covered by the trust.*

3. In the case of a group of incorporated and individual unincorporated underwriters:

(a) The trust must consist of an account in trust equal to the group's liabilities attributable to business written in the United States.

(b) The group shall:

(1) Maintain a surplus in trust of which \$100,000,000 must be held jointly for the benefit of ceding insurers in the United States to any member of the group; and

(2) Make available to the Commissioner an annual certification of the solvency of each underwriter by the group's domiciliary regulator and its independent public accountants.

(c) The incorporated members of the group:

(1) Shall not engage in any business other than underwriting as a member of the group; and

(2) Must be subject to the same level of regulation and solvency control by the applicable regulatory agency of the state in which the group is domiciled as the individual unincorporated members of the group.

4. *Credit for reinsurance must not be granted unless the form of the trust and any amendments to the trust have been approved by the commissioner of insurance of the state in which the trust is domiciled or the commissioner of insurance of another state that, under the terms of the trust instrument, has accepted responsibility for regulatory authority over the trust. The form of the trust and any amendments to the trust must also be filed with each state in which the ceding insurer beneficiaries are domiciled or located. The trust instrument must provide that:*

(a) Contested claims become valid and enforceable from money held in the trust to the extent such claims remain unsatisfied within 30 days after the entry of the final order of any court of competent jurisdiction in the United States;

(b) Legal title to the assets of the trust must be vested in the trustees for the benefit of the grantor's ceding insurers in the United States, their assigns and successors in interest;

(c) The trust is subject to examination as determined by the Commissioner;

(d) The trust must remain in effect for as long as the assuming insurers or any member or former member of a group of insurers has outstanding obligations due under the agreements for reinsurance subject to the trust; and

(e) Not later than February 28 of each year, the trustees of the trust shall report to the Commissioner in writing setting forth the balance of the trust and listing the trust's investments at the end of the preceding year and shall certify the date of termination of the trust or certify that the trust will not expire before the next following December 31.

5. If the assuming insurer does not meet the requirements of NRS 681A.110, 681A.160 or 681A.170, credit must not be allowed unless the assuming insurer has agreed to the following conditions set forth in the trust agreement:

(a) Notwithstanding any provision to the contrary in the trust instrument, if the trust fund consists of an amount that is less than the amount required pursuant to this section, or if the grantor of the trust fund is declared to be insolvent or placed into receivership, rehabilitation, liquidation or a similar proceeding in accordance with the laws of the grantor's state or country of domicile, the trustee of the trust fund must comply with an order of the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in that state or country or a court of competent jurisdiction requiring the trustee to transfer to that commissioner or person all the assets of the trust fund;

(b) The assets of the trust fund must be distributed by and claims filed with and valued by the commissioner of insurance or other appropriate person with regulatory authority over the trust fund in accordance with the laws of the state in which the trust fund is domiciled that are applicable to the liquidation of domestic insurers in that state;

(c) If the commissioner of insurance or other appropriate person with regulatory authority over the trust fund determines that the assets of the trust fund or any portion of the trust fund are not required to satisfy any claim of any ceding insurer of the grantor of the trust fund in the United States, the assets must be returned by that commissioner or person to the trustee of the trust fund for distribution in accordance with the trust agreement; and

(d) The grantor of the trust must waive any right that:

(1) Is otherwise available to the grantor under the laws of the United States; and

(2) Is inconsistent with the provisions of this subsection.

Sec. 19. NRS 681A.210 is hereby amended to read as follows:

681A.210 1. Except as otherwise provided in subsection 2, if the assuming insurer is not licensed or accredited to transact insurance or reinsurance in this State, the credit permitted by NRS 681A.170 or 681A.180 must not be allowed unless the assuming insurer agrees in the agreements for reinsurance:

(a) That in the event of the failure of the assuming insurer to perform its obligations under the terms of the agreement, the assuming insurer, at the request of the ceding insurer, will submit to the jurisdiction of any court of competent jurisdiction in any state of the United States, will comply with all requirements necessary to give the court jurisdiction, and will abide by the final decision of the court or of any appellate court in the event of an appeal;

(b) To designate the Commissioner or a designated attorney as its true and lawful attorney upon whom may be served any lawful process in an action, suit or proceeding instituted by or on behalf of the ceding company; and

(c) To comply with the conditions set forth in subsection ~~4~~ 5 of NRS 681A.180.

2. This section does not conflict with or override the obligation of the parties to an agreement for reinsurance to arbitrate their disputes if such an obligation is created in the agreement.

Sec. 20. NRS 681A.220 is hereby amended to read as follows:

681A.220 Credit must be allowed if reinsurance is ceded to an assuming insurer not meeting the requirements of NRS 681A.110 ~~to~~ and 681A.150 ~~to~~ 681A.160, 681A.170, 681A.180 ~~or~~ to 681A.190, **inclusive, and sections 4 to 10, inclusive, of this act**, but only with respect to the insurance of risks located in jurisdictions where such reinsurance is required by applicable law or regulation of that jurisdiction.

Sec. 21. NRS 681A.230 is hereby amended to read as follows:

681A.230 1. Credit must be allowed as an asset or as a deduction from liability to any ceding insurer for reinsurance lawfully ceded to an assuming insurer qualified therefor pursuant to NRS 681A.110 ~~to~~ and 681A.150 ~~to~~ 681A.160, 681A.170, 681A.180 ~~or~~ to 681A.190, **inclusive, and sections 4 to 10, inclusive, of this act**, but no such credit may be allowed unless the contract for reinsurance provides in substance that, in the event of the insolvency of the ceding insurer, the reinsurance is payable pursuant to a contract reinsured by the assuming insurer on the basis of reported claims allowed in any liquidation proceedings, subject to court approval, without diminution because of the insolvency of the ceding insurer. Except as otherwise provided in NRS 686C.223, those payments must be made directly to the ceding insurer or to its domiciliary liquidator unless:

(a) The contract of reinsurance or other written contract specifically designates another payee of the payments in the event of the insolvency of the ceding insurer; or

(b) The assuming insurer, with the consent of the persons directly insured, has assumed the obligations from the policies issued by the ceding insurer as direct obligations of the assuming insurer, and in substitution for the obligations of the ceding insurer, to the payees under those policies.

2. The domiciliary liquidator of an insolvent ceding insurer shall give written notice to the assuming insurer of the pendency of any claim against the ceding insurer on any contract reinsured within a reasonable time after such a claim is filed in the liquidation proceeding. During the pendency of the claim, the assuming insurer may investigate the claim and, at its own expense, interpose in the proceeding in which the claim is to be adjudicated any defense that the assuming insurer deems available to the ceding insurer or its liquidator.

Sec. 22. Chapter 681B of NRS is hereby amended by adding thereto the provisions set forth as sections 23 to 39.5, inclusive, of this act.

Sec. 23. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 24 to 32, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 24. *“Accident and health insurance” means a contract that incorporates morbidity risk and provides protection against economic loss resulting from accident, sickness or medical conditions, and as may further be specified in the Valuation Manual.*

Sec. 25. *“Applicable company” means an insurer that:*

1. *Has written, issued or reinsured life insurance, accident and health insurance or deposit-type contracts in this State and has at least one such policy in force or on claim; or*

2. *Has written, issued or reinsured life insurance, accident and health insurance or deposit-type contracts in any state and is required to hold a certificate of authority to write life insurance, accident and health insurance or deposit-type contracts in this State.*

Sec. 26. *“Appointed actuary” means a qualified actuary who is appointed in accordance with the Valuation Manual to prepare the actuarial opinion required by section 33.5 of this act.*

Sec. 27. *“Confidential information” means any information which qualifies as confidential under section 33 of this act.*

Sec. 28. *“Deposit-type contract” means a contract that does not incorporate mortality or morbidity risks, and as may further be specified in the Valuation Manual.*

Sec. 28.3. *“Life insurance” means a contract that incorporates mortality risk, including, without limitation, an annuity and pure endowment contract, and as may further be specified in the Valuation Manual.*

Sec. 28.5. *“NAIC” means the National Association of Insurance Commissioners or its successor organization.*

Sec. 28.7. “Operative date of the Valuation Manual” means the date determined pursuant to subsection 2 of section 33.7 of this act.

Sec. 29. “Policyholder behavior” includes any action a policyholder, contract holder or any other person with the right to elect options, such as a certificate holder, may take pursuant to a policy or contract subject to this chapter, including, without limitation, lapse, withdrawal, transfer, deposit, premium payment, loan, annuitization or benefit elections prescribed by the policy or contract. The term does not include events of mortality or morbidity that result in benefits prescribed in their essential aspects by the terms of the policy or contract.

Sec. 30. “Principle-based valuation” means a reserve valuation that uses one or more methods or one or more assumptions determined by the insurer and is required to comply with sections 34, 35 and 36 of this act, and as may further be specified in the Valuation Manual.

Sec. 30.5. “Qualified actuary” means a natural person who:

1. Is qualified to sign the applicable statement of actuarial opinion in accordance with the standards that are established by the American Academy of Actuaries, or its successor organization, to determine the qualification of an actuary to sign such a statement; and

2. Meets the applicable requirements set forth in the Valuation Manual.

Sec. 31. “Tail risk” means a risk that occurs either where the frequency of low probability events is higher than expected under a normal probability distribution or where there are observed events of very significant size or magnitude.

Sec. 32. “Valuation Manual” means the Valuation Manual adopted by the National Association of Insurance Commissioners on December 2, 2012, and as subsequently amended by the NAIC.

Sec. 33. 1. The following types of information shall qualify as confidential information:

- (a) A memorandum in support of an opinion submitted pursuant to NRS 681B.200 to 681B.260, inclusive, or section 33.5 of this act and any other documents, materials and other information, including, without limitation, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Commissioner or any other person in connection with such memorandum;

- (b) All documents, materials and other information, including, without limitation, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Commissioner or any other person in the course of an examination authorized by subsection 2 of NRS 679B.230 or subsection 7 of section 33.7 of this act, provided that if an examination report or other material prepared in connection with an examination authorized by NRS 679B.230 to 679B.300, inclusive, is not held as private and confidential information in accordance with the provisions of NRS 679B.230 to 679B.300, inclusive, an adopted examination report created in accordance

with the provisions of subsection 2 of NRS 679B.230 or subsection 7 of section 33.7 of this act shall not be deemed confidential information;

(c) Any reports, documents, materials and other information developed by an applicable company in support of, or in connection with, an annual certification by the applicable company in accordance with the provisions of paragraph (b) of subsection 1 of section 35 of this act evaluating the effectiveness of the company's internal controls with respect to a principle-based valuation, and any other documents, materials and other information, including, without limitation, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Commissioner or any other person in connection with such reports, documents, materials and other information;

(d) Any principle-based valuation report developed in accordance with paragraph (c) of subsection 1 of section 35 of this act, and any other documents, materials and other information, including, without limitation, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Commissioner or any other person in connection with such report; and

(e) Any experience data and experience materials, and any other documents, materials, data and other information, including, without limitation, all working papers, and copies thereof, created, produced or obtained by or disclosed to the Commissioner or any other person in connection with such data and materials.

2. As used in this section:

(a) "Experience data" means all documents, materials, data and other information submitted by an applicable company to the Commissioner, a designated experience reporting agent or other such person authorized to act on behalf of the Commissioner pursuant to sections 37 and 37.5 of this act.

(b) "Experience materials" means all documents, materials, data and other information, including, without limitation, all working papers, and copies thereof, created or produced in connection with experience data including, without limitation, any potentially company-identifying or personally identifiable information, that is provided to or obtained by the Commissioner, a designated experience reporting agent or other such person authorized to act on behalf of the Commissioner pursuant to sections 37 and 37.5 of this act.

Sec. 33.3. 1. For policies and contracts issued on or after the operative date of the Valuation Manual:

(a) The Commissioner shall annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life insurance contracts, annuity and pure endowment contracts, accident and health contracts, and deposit-type contracts of every applicable company doing business in this State.

(b) In lieu of the valuation of the reserves required of a foreign or alien applicable company, the Commissioner may accept a valuation made, or

caused to be made, by the insurance supervisory official of any state or other jurisdiction when the valuation complies with the minimum standard provided in sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive.

2. The provisions set forth in sections 33.7 to 36, inclusive, of this act apply to all policies and contracts issued on or after the operative date of the Valuation Manual.

3. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after the operative date of the Valuation Manual.

Sec. 33.5. 1. For actuarial opinions of reserves prepared after the operative date of the Valuation Manual:

(a) Every company with outstanding life insurance contracts, accident and health insurance contracts or deposit-type contracts in this State and subject to regulation by the Commissioner shall annually submit the opinion of the appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts are computed appropriately, are based on assumptions that satisfy contractual provisions, are consistent with prior reported amounts and comply with applicable laws of this State. The Valuation Manual will prescribe the specifics of this opinion including any items deemed to be necessary to its scope.

(b) Every applicable company with outstanding life insurance contracts, accident and health insurance contracts or deposit-type contracts in this State and subject to regulation by the Commissioner, except as exempted in the Valuation Manual, must also annually include in the opinion required by paragraph (a), an opinion of the same appointed actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified in the Valuation Manual, when considered in light of the assets held by the company with respect to the reserves and related actuarial items, including, but not limited to, the investment earnings on the assets and the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the company's obligations under the policies and contracts, including, but not limited to, the benefits under and expenses associated with the policies and contracts.

(c) Each opinion required by paragraphs (a) and (b) must be governed by the following provisions:

(1) A memorandum, in the form and substance as specified in the Valuation Manual, and acceptable to the Commissioner, must be prepared to support each actuarial opinion.

(2) If the insurance company fails to provide a supporting memorandum at the request of the Commissioner within a period specified in the Valuation Manual or the Commissioner determines that the supporting memorandum provided by the insurance company fails to meet the standards prescribed by the Valuation Manual or is otherwise unacceptable to the Commissioner, the Commissioner may engage a

qualified actuary at the expense of the company to review the opinion and the basis for the opinion and prepare the supporting memorandum required by the Commissioner.

(d) In addition to the requirements of paragraph (c), each opinion required by paragraphs (a) and (b) must be governed by the following provisions:

(1) The opinion must be in the form and substance as specified in the Valuation Manual and acceptable to the Commissioner.

(2) The opinion must be submitted with the annual statement reflecting the valuation of the reserve liabilities for each year ending on or after the operative date of the Valuation Manual.

(3) The opinion must apply to all policies and contracts subject to paragraph (b) plus other actuarial liabilities as may be specified in the Valuation Manual.

(4) The opinion must be based on standards adopted from time to time by the Actuarial Standards Board, or its successor organization, and on such additional standards as may be prescribed in the Valuation Manual.

(5) In the case of an opinion required to be submitted by a foreign or alien applicable company, the Commissioner may accept the opinion filed by that company with the insurance supervisory official of another state if the Commissioner determines that the opinion reasonably meets the requirements applicable to a company domiciled in this State.

(6) Except in cases of fraud or willful misconduct, the appointed actuary is not liable for damages to any person, other than the insurance company and the Commissioner, for any act, error, omission, decision or conduct with respect to the appointed actuary's opinion.

(7) Disciplinary action by the Commissioner against the company or the appointed actuary must be defined in regulations by the Commissioner.

2. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.

Sec. 33.7. 1. For policies issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under section 33.3 of this act, except as otherwise provided in subsection 6 or 8.

2. The operative date of the Valuation Manual is January 1 of the first calendar year following the first July 1 as of which all of the following have occurred:

(a) The Valuation Manual has been adopted by the NAIC by an affirmative vote of at least 42 members, or three-fourths of the members voting, whichever is greater.

(b) The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by states representing greater than 75 percent of the direct premiums written as reported in the following annual statements submitted for 2008:

- (1) *Life, accident and health annual statements;*
- (2) *Health annual statements; or*
- (3) *Fraternal annual statements.*

(c) *The Standard Valuation Law, as amended by the NAIC in 2009, or legislation including substantially similar terms and provisions, has been enacted by at least 42 of the following 55 jurisdictions:*

- (1) *The 50 states of the United States;*
- (2) *American Samoa;*
- (3) *The American Virgin Islands;*
- (4) *The District of Columbia;*
- (5) *Guam; and*
- (6) *Puerto Rico.*

(d) *The Valuation Manual is adopted in accordance with regulations adopted by the Commissioner.*

3. *Within 90 days after all the events described in paragraphs (a) to (d), inclusive, of subsection 2 have taken place, the Commissioner shall issue a bulletin to inform insurers and the public of that fact.*

4. *Unless a change in the Valuation Manual specifies a later effective date, changes to the Valuation Manual are effective on January 1 following the date when the change to the Valuation Manual is adopted by the NAIC by an affirmative vote representing:*

(a) *At least three-fourths of the members of the NAIC voting, but not less than a majority of the total membership; and*

(b) *Members of the NAIC representing jurisdictions totaling greater than 75 percent of the direct premiums written as reported in the following annual statements most recently available before the vote in subparagraph (1):*

- (1) *Life, accident and health annual statements;*
- (2) *Health annual statements; or*
- (3) *Fraternal annual statements.*

5. *The Valuation Manual must specify all of the following:*

(a) *Minimum valuation standards for and definitions of the policies or contracts subject to section 33.3 of this act, including:*

(1) *The Commissioner's reserve valuation method for life insurance contracts, other than annuity contracts, subject to section 33.3 of this act;*

(2) *The Commissioner's annuity reserve valuation method for annuity contracts subject to section 33.3 of this act; and*

(3) *Minimum reserves for all other policies or contracts subject to section 33.3 of this act;*

(b) *Which policies or contracts or types of policies or contracts that are subject to the requirements of a principle-based valuation in section 34 of this act and the minimum valuation standards consistent with those requirements;*

(c) *For policies and contracts subject to a principle-based valuation under sections 34, 35 and 36 of this act:*

(1) Requirements for the format of the reports provided to the Commissioner pursuant to paragraph (c) of subsection 1 of section 35 of this act and which must include information necessary to determine if the valuation is appropriate and in compliance with sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive;

(2) Assumptions must be prescribed for risks over which the company does not have significant control or influence; and

(3) Procedures for corporate governance and oversight of the actuarial function, and a process for appropriate waiver or modification of such procedures;

(d) For policies not subject to a principle-based valuation under sections 34, 35 and 36 of this act, the minimum valuation standard must:

(1) Be consistent with the minimum standard of valuation before the operative date of the Valuation Manual; or

(2) Develop reserves that quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions which include unfavorable events that have a reasonable probability of occurring during the lifetime of the contracts;

(e) Other requirements, including, but not limited to, those relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of company experience, risk measurement, disclosure, certifications, reports, actuarial opinions and memorandums, transition rules and internal controls; and

(f) The data and form of the data required pursuant to section 37 of this act, with whom the data must be submitted, and may specify other requirements including data analyses and reporting of such analyses.

6. In the absence of a specific valuation requirement or if a specific valuation requirement in the Valuation Manual is not, in the opinion of the Commissioner, in compliance with sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive, the company must, with respect to such requirements, comply with minimum valuation standards prescribed by the Commissioner by regulation.

7. The Commissioner may engage a qualified actuary, at the expense of the company, to perform an actuarial examination of the company and opine on the appropriateness of any reserve assumption or method used by the company, or to review and opine on a company's compliance with any requirement set forth in sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive. The Commissioner may rely upon the opinion, regarding provisions contained within sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive, of a qualified actuary engaged by the Commissioner of another state, district

or territory of the United States. As used in this subsection, “engage” includes employment and contracting.

8. The Commissioner may require a company to change any assumption or method that, in the opinion of the Commissioner, is necessary in order to comply with the requirements of the Valuation Manual or sections 23 to 39.5, inclusive, of this act, and NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive, and the company shall adjust the reserves as required by the Commissioner. The Commissioner may take other disciplinary action as allowed pursuant to regulations adopted by the Commissioner.

9. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after the operative date of the Valuation Manual.

Sec. 33.9. 1. For accident and health insurance policies and contracts issued on or after the operative date of the Valuation Manual, the standard prescribed in the Valuation Manual is the minimum standard of valuation required under section 33.3 of this act.

2. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after the operative date of the Valuation Manual.

Sec. 34. 1. An applicable company using a principle-based valuation must establish reserves that:

(a) Quantify the benefits and guarantees, and the funding, associated with the contracts and their risks at a level of conservatism that reflects conditions which include unfavorable events that have a reasonable probability of occurring during the lifetime of the contracts. For policies or contracts with significant tail risk, the valuation must reflect conditions appropriately adverse to quantify the tail risk.

(b) Incorporate assumptions, risk analysis methods and financial models and management techniques that are consistent with, but not necessarily identical to, those utilized within the company’s overall risk assessment process while recognizing potential differences in financial reporting structures and any prescribed assumptions or methods.

(c) Incorporate assumptions that are:

(1) Prescribed in the Valuation Manual; or

(2) Established utilizing the company’s available experience, to the extent that it is relevant and statistically credible or established utilizing other relevant, statistically credible experience.

(d) Provide margins for uncertainty, including adverse deviation and estimation error, such that the greater the uncertainty the larger the margin and resulting reserve.

2. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.

Sec. 35. 1. *An applicable company using a principle-based valuation for one or more policies or contracts subject to this chapter, and as specified in the Valuation Manual, shall:*

(a) Establish procedures for corporate governance and oversight of the actuarial valuation function consistent with those described in the Valuation Manual.

(b) Provide to the Commissioner, and the company's board of directors, an annual certification of the effectiveness of the internal controls with respect to the principle-based valuation. Such controls must be designed to ensure that all material risks inherent in the liabilities and associated assets subject to such valuation are included in the valuation, and that valuations are made pursuant to the Valuation Manual. The certification must be based on the controls in place as of the end of the preceding calendar year.

(c) Develop and, upon request, provide to the Commissioner a principle-based valuation report that complies with the standards prescribed in the Valuation Manual.

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 36. 1. *A principle-based valuation may include a prescribed formulaic reserve component.*

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after the operative date of the Valuation Manual.*

Sec. 37. 1. *An applicable company shall submit to the Commissioner, to an appropriately appointed experience reporting agent or to such other person authorized to act on behalf of the Commissioner pursuant to section 37.5 of this act, and as specified in the Valuation Manual, mortality, morbidity, policyholder behavior or expense experience and other data as prescribed in the Valuation Manual.*

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 37.5. 1. *The Commissioner may designate a person to act as the experience reporting agent of the Commissioner and to assist the Commissioner in compiling relevant mortality, morbidity, policyholder behavior or expense experience and other data pursuant to section 37 of this act and as prescribed in the Valuation Manual.*

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 38. 1. *Except as otherwise provided in this section and NRS 239.0115 and sections 33 and 39 of this act, an applicable company's confidential information is confidential by law and privileged, and is not:*

(a) Subject to subpoena or other forms of civil discovery; or

(b) *Admissible in evidence in any private civil action.*

2. *Neither the Commissioner nor any person who received confidential information while acting under the authority of the Commissioner may be permitted or required to testify in any private civil action concerning the confidential information.*

3. *To assist in the performance of the Commissioner's duties, the Commissioner may share confidential information with other state, federal and international regulatory agencies and the NAIC, provided that the recipient agrees, and has the legal authority to agree, to maintain the confidentiality and privileged status of such confidential information in the same manner and to the same extent as required of the Commissioner.*

4. *To assist in the performance of the Commissioner's duties, the Commissioner may share confidential information specified in paragraphs (a) and (d) of subsection 1 of section 33 of this act with state, federal and international law enforcement officials or the Actuarial Board for Counseling and Discipline, or its successor, if the confidential information is provided for the purpose of professional disciplinary hearings and the recipient agrees, and has the legal authority to agree, to maintain the confidentiality and privileged status of such confidential information in the same manner and to the same extent as required of the Commissioner.*

5. *The Commissioner may receive documents, materials, data and other information, including, without limitation, confidential information and privileged documents, materials, data or other information from the NAIC, and its affiliates and subsidiaries, from regulatory or law enforcement officials of other foreign or domestic jurisdictions and from the Actuarial Board for Counseling and Discipline, or its successor, and shall maintain as confidential or privileged any document, material, data or other information received with notice, or the understanding, that the information is confidential or privileged under the laws of the jurisdiction which is the source of the document, material, data or other information.*

6. *The Commissioner may enter into agreements governing the sharing and use of confidential information consistent with this section.*

7. *No waiver of any applicable privilege or claim of confidentiality in confidential information shall occur as a result of the disclosure of the confidential information to the Commissioner pursuant to this section or as a result of sharing as authorized in subsections 3 and 4.*

8. *A privilege established under the law of any state or jurisdiction that is substantially similar to the privilege established under this section may be available and enforced in any proceeding in, and in any court of, this State.*

9. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 39. 1. *Notwithstanding any provisions of section 38 of this act to the contrary, any confidential information specified in subsections 1 and 5 of section 38 of this act:*

(a) *May be subject to subpoena for the purpose of defending an action seeking damages from the appointed actuary submitting the related memorandum in support of an opinion submitted in accordance with the provisions of NRS 681B.200 to 681B.260, inclusive, or a principle-based valuation report developed in accordance with paragraph (c) of subsection 1 of section 35 of this act by reason of an action required by sections 33 to 39.5, inclusive, of this act or any regulations adopted pursuant thereto;*

(b) *May otherwise be released by the Commissioner with the written consent of the applicable company; and*

(c) *Is no longer confidential if any portion of a memorandum in support of an opinion submitted in accordance with the provisions of NRS 681B.200 to 681B.260, inclusive, or a principle-based valuation report developed in accordance with paragraph (c) of subsection 1 of section 35 of this act, is:*

(1) *Cited by the applicable company in its marketing;*

(2) *Publicly volunteered to or before a government agency other than the Division or an insurance department of another state; or*

(3) *Released by the applicable company to the news media.*

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 39.5. 1. *The Commissioner may exempt specific product forms or product lines of a domestic company that is licensed and doing business only in this State from the requirements of section 33.7 of this act, if:*

(a) *The Commissioner has issued to the company a written exemption and has not subsequently revoked that written exemption; and*

(b) *The company computes reserves using assumptions and methods that were used before the operative date of the Valuation Manual, in addition to complying with any applicable requirements established in regulations adopted by the Commissioner.*

2. *If a company is granted an exemption as described in subsection 1, the provisions of NRS 681B.110 to 681B.150, inclusive, and 681B.200 to 681B.270, inclusive, apply to that company.*

3. *The provisions of this section apply only on or after the operative date of the Valuation Manual.*

Sec. 40. NRS 681B.020 is hereby amended to read as follows:

681B.020 1. In addition to assets impliedly excluded by the provisions of NRS 681B.010, the following expressly may not be allowed as assets in any determination of the financial condition of an insurer:

(a) Goodwill, trade names and other like intangible assets.

(b) Advances to officers, other than policy loans, whether secured or not, and advances to employees, agents and other persons on personal security only.

(c) Stock of such insurer, owned by it, or any equity therein or loans secured thereby, or any proportionate interest in such stock acquired or held through

the ownership by such insurer of an interest in another firm, corporation or business unit.

(d) Furniture, fixtures, furnishings, safes, vehicles, libraries, stationery, literature and supplies, other than data processing, recordkeeping and accounting systems authorized under subsection 13 of NRS 681B.010, except ~~if~~

~~— (1) In the case of title insurers such materials and plants as the insurer is expressly authorized to invest in under NRS 682A.220; and~~

~~— (2) In the case of any insurer,~~ such personal property as the insurer is permitted to hold pursuant to chapter 682A of NRS, or which is reasonably necessary for the maintenance and operation of real property lawfully acquired and held by the insurer other than real property used by it for home office, branch office and similar purposes.

(e) The amount, if any, by which the aggregate book value of investments as carried in the ledger assets of the insurer exceeds the aggregate value thereof as determined under this Code.

2. If any successor organization to the State Industrial Insurance System that was established by section 79 of chapter 642, Statutes of Nevada 1981, at page 1449, wishes to transact in this state property or casualty insurance other than industrial insurance, the money required to be held in trust by that organization pursuant to NRS 616B.042 may not be allowed as assets of the successor organization in determining its financial condition to transact such insurance.

Sec. 40.15. NRS 681B.110 is hereby amended to read as follows:

681B.110 1. The Commissioner shall, in the manner provided by NRS 681B.110 to 681B.150, inclusive, annually value, or cause to be valued, the reserve liabilities (hereinafter called reserves) for all outstanding life insurance policies and annuity and pure endowment contracts of every life insurer doing business in this state, ***issued on or after January 1, 1972, and before the operative date of the Valuation Manual,*** except that in the case of an alien insurer, the valuation must be limited to its United States business.

~~2. The Commissioner may certify the amount of any such reserves, specifying the mortality table or tables, rate or rates of interest and methods used in the calculation of the reserves.~~

~~3.~~ The Commissioner may:

(a) Use any method, including group methods and the net level premium method, in the calculation of the reserves.

(b) Use approximate averages for fractions of a year or other period to calculate the reserves.

(c) In lieu of the valuation of the reserves required of any foreign or alien company, accept any valuation made, or caused to be made, by an insurance supervisory officer of any other state or jurisdiction if the valuation by the insurance supervisory officer complies with the minimum standard required by NRS 681B.110 to 681B.150, inclusive. ~~It, and if the insurance officer of the other state or jurisdiction accepts as sufficient and valid for all legal purposes~~

the certificate of valuation of the Commissioner when the certificate states the valuation to have been made in a specified manner according to which the aggregate reserves would be at least as large as if they had been computed in the manner prescribed by the law of that state or jurisdiction.

~~4. Any such insurer which at any time has adopted any standard of valuation producing greater aggregate reserves than those calculated according to the minimum standard provided in NRS 681B.110 to 681B.150, inclusive, may, with the approval of the Commissioner, adopt any lower standard of valuation, but not lower than the minimum provided in those sections.]~~

3. The provisions set forth in NRS 681B.110 to 681B.150, inclusive, and 681B.270 apply to all policies and contracts, as appropriate, issued on or after January 1, 1972, and before the operative date of the Valuation Manual. The provisions set forth in sections 33.7 to 36, inclusive, of this act do not apply to any such policies and contracts.

4. The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.

5. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.

Sec. 40.2. NRS 681B.120 is hereby amended to read as follows:

681B.120 1. Except as otherwise provided in subsection 3 and in NRS 681B.125, the minimum standards for the valuation of all policies and contracts issued before January 1, 1972, are as follows:

(a) The legal minimum standard for valuation of contracts issued before January 1, 1942, is a basis not lower than that used for the annual statement of the year during which the policies were issued, and for contracts issued on and after January 1, 1942, is the American Experience Table of Mortality with either Craig's or Buttolph's Extension for ages under 10, with interest at not more than 3.5 percent per annum. Annuities and pure endowments purchased under group annuity and pure endowment contracts must be valued in the same manner, with interest at not more than 5 percent. Such policies may provide for not more than 1-year preliminary term insurance by incorporating therein a clause plainly showing that the first year's insurance under the contract is term insurance purchased by the whole or part of the premiums to be received during the first year of the contract.

(b) The legal minimum standard for the valuation of group life insurance policies under which the premium rates are not guaranteed for more than 5 years is the American Men Ultimate Table of Mortality with interest at not more than 3.5 percent per annum.

(c) The legal minimum standard for the valuation of industrial policies is the American Experience Table of Mortality or the Standard Industrial Mortality Table or the Substandard Industrial Mortality Table with interest at not more than 3.5 percent per annum by the net level premium method, or in

accordance with their terms by the modified preliminary term method described in this section.

(d) Reserves for all such policies and contracts may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves than the minimum reserves required by this subsection.

2. Except as otherwise provided in subsection 3 and in NRS 681B.125, the minimum standards for the valuation of all policies and contracts issued on or after January 1, 1972, are the Commissioners reserve valuation methods defined in NRS 681B.130 and 681B.150, 5 percent interest for group annuity and pure endowment contracts and 3.5 percent interest for all other such policies and contracts or, in the case of policies and contracts other than annuity and pure endowment contracts issued on or after July 1, 1973, 4 percent interest for such policies issued before July 1, 1977, 5.5 percent interest for single premium life insurance policies and 4.5 percent for all other such policies issued on and after July 1, 1977, and the following tables:

(a) For all ordinary policies of life insurance issued on the standard basis, excluding any disability and accidental death benefits in such policies, the Commissioners 1941 Standard Ordinary Mortality Table until the operative date of NRS 688A.340, and, for all such policies issued on and after the operative date of NRS 688A.340 and before the operative date of NRS 688A.325, the Commissioners 1958 Standard Ordinary Mortality Table, except that for any category of such policies issued on female risks all modified net premiums and present values referred to in NRS 681B.110 to 681B.150, inclusive, may be calculated according to an age not more than 6 years younger than the actual age of the insured. For policies issued on or after the operative date of NRS 688A.325:

(1) The Commissioners 1980 Standard Ordinary Mortality Table;

(2) At the election of the insurer for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors; or

(3) Any ordinary mortality table which is adopted after 1980 by the ~~{National Association of Insurance Commissioners}~~ **NAIC** and is approved by a regulation adopted by the Commissioner,

➡ may be used in determining the minimum standard of valuation for such policies.

(b) For all industrial life insurance policies issued on the standard basis, excluding any disability and accidental death benefits in such policies, the 1941 Standard Industrial Mortality Table for such policies issued before the operative date of NRS 688A.330, and for such policies issued on or after that date, the Commissioners 1961 Standard Industrial Mortality Table or any industrial mortality table which is adopted after 1980 by the ~~{National Association of Insurance Commissioners}~~ **NAIC** and is approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such policies.

(c) For individual annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the 1937 Standard Annuity Mortality Table, or, at the option of the insurer, the Annuity Mortality Table for 1949, Ultimate, or any modification of either of these tables approved by the Commissioner.

(d) For group annuity and pure endowment contracts, excluding any disability and accidental death benefits in such policies, the Group Annuity Mortality Table for 1951, any modification of that table approved by the Commissioner, or, at the option of the insurer, any of the tables or modifications of tables specified for individual annuity and pure endowment contracts.

(e) For total and permanent disability benefits in or supplementary to ordinary policies or contracts, for policies or contracts issued on or after January 1, 1966, the tables of Period 2 disablement rates and the 1930 to 1950 termination rates of the 1952 Disability Study of the Society of Actuaries, with due regard to the type of benefit, or any tables of disablement rates and termination rates which are adopted after 1980 by the ~~the National Association of Insurance Commissioners~~ NAIC and are approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such policies; and for policies or contracts issued on or after January 1, 1961, and before January 1, 1966, either such tables or, at the option of the insurer, the Class (3) Disability Table (1926).

(f) Benefits for accidental death in or supplementary to policies, for policies issued on or after January 1, 1966, the 1959 Accidental Death Benefits Table, or any accidental death benefits table which is adopted after 1980 by the ~~the National Association of Insurance Commissioners~~ NAIC and is approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such policies; and for policies issued on or after January 1, 1961, and before January 1, 1966, either such table or, at the option of the insurer, the Inter-Company Double Indemnity Mortality Table. Either table must be combined with a mortality table permitted for calculating the reserves for life insurance policies.

(g) For group life insurance, for life insurance issued on the substandard basis and for special benefits, such tables as may be approved by the Commissioner.

3. Except as provided in NRS 681B.125, the minimum standards for the valuation of all individual annuity and pure endowment contracts issued on or after the valuation operative date defined in subsection 4 and for all annuities and pure endowments purchased on or after that date, under group annuity and pure endowment contracts, are the Commissioners reserve valuation methods defined in NRS 681B.130 and the following tables and interest rates:

(a) For individual annuity and pure endowment contracts issued before July 1, 1977, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, or any modification of the table approved by the Commissioner, and 6 percent interest for single

premium immediate annuity contracts, and 4 percent interest for all other individual annuity and pure endowment contracts.

(b) For individual single premium immediate annuity contracts issued on or after July 1, 1977, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table, or any individual annuity mortality table which is adopted after 1980 by the ~~{National Association of Insurance Commissioners}~~ **NAIC** and is approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Commissioner, and 7.5 percent interest.

(c) For individual annuity and pure endowment contracts issued on or after July 1, 1977, other than single premium immediate annuity contracts, excluding any disability and accidental death benefits in such contracts, the 1971 Individual Annuity Mortality Table or any individual annuity mortality table which is adopted after 1980 by the ~~{National Association of Insurance Commissioners}~~ **NAIC** and is approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such contracts, or any modification of those tables approved by the Commissioner, and 5.5 percent interest for single premium deferred annuity and pure endowment contracts and 4.5 percent interest for all other such individual annuity and pure endowment contracts.

(d) For all annuities and pure endowments purchased before July 1, 1977, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, or any modification of that table approved by the Commissioner, and 6 percent interest.

(e) For all annuities and pure endowments purchased on or after July 1, 1977, under group annuity and pure endowment contracts, excluding any disability and accidental death benefits purchased under such contracts, the 1971 Group Annuity Mortality Table, or any group annuity mortality table which is adopted after 1980 by the ~~{National Association of Insurance Commissioners}~~ **NAIC** and is approved by a regulation adopted by the Commissioner for use in determining the minimum standard of valuation for such annuities and pure endowments, or any modification of those tables approved by the Commissioner, and 7.5 percent interest.

4. After July 1, 1973, any insurer may file with the Commissioner a written notice of its election to comply with the provisions of subsection 3 after a specified date before January 1, 1979, which then becomes the valuation operative date for the insurer, but an insurer may elect a different valuation operative date for individual annuity and pure endowment contracts from that elected for group annuity and pure endowment contracts. If an insurer makes no such election, the valuation operative date for the insurer is January 1, 1979.

5. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued before the operative date of the Valuation Manual.*

Sec. 40.25. NRS 681B.125 is hereby amended to read as follows:

681B.125 1. This section sets forth the interest rates used in determining the minimum standard for valuation of:

(a) All life insurance policies issued in a particular calendar year on or after the operative date of NRS 688A.325;

(b) All individual annuity and pure endowment contracts issued in a particular calendar year on or after January 1, 1984;

(c) All annuities and pure endowments purchased in a particular calendar year on or after January 1, 1984, under group annuity and pure endowment contracts; and

(d) The net increase, if any, in a particular calendar year after January 1, 1984, in amounts held under contract which have guaranteed interest.

2. The interest rates for valuation must be determined as follows, and the results rounded to the nearer one-quarter of 1 percent:

(a) For life insurance:

$$I = .03 + W (R_1 - .03) + W/2 (R_2 - .09)$$

(b) For single-premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with options for cash settlement and from contracts which have guaranteed interest with options for cash settlement:

$$I = .03 + W (R - .03)$$

where

R_1 is the lesser of R and .09,

R_2 is the greater of R and .09,

R is the reference interest rate defined in this section, and

W is the weighting factor defined in this section.

(c) For other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement, valued on the basis of the year issued, except as stated in paragraph (b), the formula for life insurance set forth in paragraph (a) applies to annuities and contracts which have guaranteed interest with a guaranteed duration in excess of 10 years, and the formula for single-premium immediate annuities stated in paragraph (b) applies to annuities and contracts which have guaranteed interest with guaranteed durations of 10 years or less.

(d) For other annuities with no options for cash settlement and for contracts which have guaranteed interest with no options for cash settlement, the formula for single-premium immediate annuities set forth in paragraph (b) applies.

(e) For other annuities with options for cash settlement and contracts which have guaranteed interest with no options for cash settlement which are valued

on the basis of a change in its fund the formula for single-premium immediate annuities stated in paragraph (b) applies.

(f) If the interest rate for valuation for any life insurance policies issued in any calendar year determined without reference to this sentence differs from the corresponding actual rate for similar policies issued in the immediately preceding calendar year by less than one-half of 1 percent, the interest rate for the valuation of such life insurance policies is equal to the corresponding actual rate for the immediately preceding calendar year. The interest rate for the valuation of life insurance policies issued in a calendar year must be determined for 1980 using the reference interest rate defined for 1979 and must be determined for each subsequent calendar year regardless of when NRS 688A.325 becomes operative with respect to the insurer.

3. The weighting factors referred to in the formulas set forth in subsection 2 are given in the following tables:

(a) Weighting Factors for Life Insurance:

Guarantee Duration (Years)	Weighting Factors
10 or less.....	.50
More than 10 but not more than 20.....	.45
More than 20.....	.35

For life insurance, the duration of the guarantee is the maximum number of years the life insurance can remain in force on a basis guaranteed in the policy or under options to convert to plans of life insurance with premium rates or nonforfeiture values, or both, which are guaranteed in the original policy;

(b) The weighting factor for single-premium immediate annuities and for annuity benefits involving life contingencies arising from other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement is .80; and

(c) Weighting factors for other annuities and for contracts which have guaranteed interest except as stated in paragraph (b), are specified in the tables in subparagraphs (1), (2) and (3), according to the rules and definitions in subparagraphs (4), (5) and (6) as follows:

(1) For annuities and contracts which have guaranteed interest valued on the basis of the year issued:

Guarantee Duration (Years)	Weighting Factor for Plan Type		
	A	B	C
5 or less	.80	.60	.50
More than 5, but not more than 10	.75	.60	.50

More than 10, but not more than 20	.65	.50	.45
More than 2	.45	.35	.35

(2) For annuities and contracts which have guaranteed interest valued on a change in fund basis, the factors shown in subparagraph (1):

	Weighting Factor for Plan Type		
	A	B	C
Increased by	.15	.25	.05

(3) For annuities and contracts which have guaranteed interest valued on the basis of the year issued, (other than those with no options for cash settlement) which do not guarantee interest on considerations received more than 1 year after issue or purchase and for annuities and contracts which have guaranteed interest valued on a change in fund basis which do not guarantee interest rates on considerations received more than 12 months beyond the valuation date, the factors shown in subparagraph (1) or derived in subparagraph (2) increased by .05.

(4) For other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement, the guaranteed duration is the number of years for which the contract guarantees interest rates in excess of the interest rate for the valuation of life insurance policies with a guaranteed duration in excess of 20 years. For other annuities with no options for cash settlement and for contracts which have guaranteed interest with no options for cash settlement, the guaranteed duration is the number of years from the date of issue or date of purchase to the date on which the annuity benefits are scheduled to commence.

(5) The types of plans listed in this subsection have the following characteristics:

Plan Type A

Under this plan the policyholder:

(I) May withdraw money only with an adjustment to reflect changes in interest rates or the value of assets since the insurer's receipt of the money, or without such an adjustment but in installments payable over 5 years or more;

(II) May withdraw money as an immediate life annuity; or

(III) Is not permitted to withdraw money.

Plan Type B

Under this plan, before expiration of the guaranteed interest rate, the policyholder:

(I) May withdraw money only with an adjustment to reflect changes in interest rates or the value of assets since the insurer's receipt of the money, or without such an adjustment but in installments payable over 5 years or more;
or

(II) Is not permitted to withdraw money.

↪ At the end of the guaranteed interest rate, the policyholder may withdraw money without such an adjustment in a single sum or in installments over a period of less than 5 years.

Plan Type C

Under this plan the policyholder may withdraw money before expiration of the guaranteed interest rate in a single sum or in installments over a period of less than 5 years:

(I) Without any adjustment to reflect changes in interest rates or the value of assets since the insurer's receipt of the money; or

(II) Subject only to a fixed charge for surrender which is stipulated in the contract as a percentage of the fund.

(6) An insurer may elect to value contracts which have guaranteed interest with options for cash settlement and annuities with options for cash settlement on the basis of the year issued or a change in fund basis. Contracts which have guaranteed interest but no options for cash settlement and annuities with no options for cash settlement must be valued on the basis of the year issued. As used in this section, "valuation on the basis of the year issued" means a basis of valuation under which the interest rate used to determine the minimum standard of valuation for the entire duration of an annuity or contract with guaranteed interest is the interest rate of valuation for the year of issue or the year of purchase of the annuity or contract, and "change in fund basis of valuation" means a basis of valuation under which the interest rate used to determine the minimum standard of valuation applicable to each change in the fund held under the annuity or contract is the interest rate for valuation for the year of the change in the fund.

4. For purposes of subsection 2, "reference interest rate" means:

(a) For all life insurance, the lesser of the average over 36 months and the average over 12 months, ending on June 30 of the calendar year next preceding the year of issue, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(b) For single-premium immediate annuities, annuity benefits involving life contingencies arising from other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement, the average over 12 months, ending on June 30 of the calendar year of issue or year of purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(c) For other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement, valued on the basis of the year issued, except as stated in paragraph (b), with a guaranteed duration of more than 10 years, the lesser of the average over 36 months and the average over 12 months, ending on June 30 of the calendar year of issue or purchase, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(d) For other annuities with options for cash settlement and guaranteed interest with options for cash settlement, valued on the basis of the year issued,

except as stated in paragraph (b), with a guaranteed duration of 10 years or less, the average over 12 months, ending on June 30 of the calendar year issued or purchased, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(e) For other annuities with no options for cash settlement and for contracts which have guaranteed interest with no option for cash settlement, the average over 12 months, ending on June 30 of the calendar year issued or purchased, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

(f) For other annuities with options for cash settlement and contracts which have guaranteed interest with options for cash settlement valued on a change in fund basis, except as stated in paragraph (b), the average over 12 months, ending on June 30 of the calendar year of the change in the fund, of Moody's Corporate Bond Yield Average—Monthly Average Corporates, as published by Moody's Investors Service, Inc.

5. If the publication of Moody's Corporate Bond Yield Average—Monthly Average Corporates by Moody's Investors Service, Inc., ends or the National Association of Insurance Commissioners determines that Moody's Corporate Bond Yield Average—Monthly Average Corporates is no longer appropriate for determination of the reference interest rate, an alternative method for determination of the reference interest rate which is adopted by the ~~[National Association of Insurance Commissioners]~~ NAIC and approved by regulation of the Commissioner may be substituted.

6. *The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.*

7. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.*

Sec. 40.3. NRS 681B.130 is hereby amended to read as follows:

681B.130 1. Except as otherwise provided in subsection 4 and in NRS 681B.150, reserves, according to the Commissioners' reserve valuation method, for the life insurance and endowment benefits of policies providing for a uniform amount of insurance and requiring the payment of uniform premiums must be the excess, if any, of the present value, at the date of valuation, of the future guaranteed benefits provided for by the policies over the then present value of any future modified net premiums therefor. The modified net premiums for the policy must be such a uniform percentage of the respective contract premiums for those benefits that the present value, at the date of issue of the policy, of all the modified net premiums are equal to the sum of the then present value of the benefits provided for by the policy and the excess of the premium set forth in paragraph (a) over that set forth in paragraph (b), as follows:

(a) A net level annual premium equal to the present value, at the date of issue, of such benefits provided for after the first policy year, divided by the present value, at the date of issue, of an annuity of one per annum payable on the first and each subsequent anniversary of such policy on which a premium falls due. The net level annual premium must not exceed the net level annual premium on the 19-year premium whole life plan for insurance of the same amount at an age 1 year higher than the age at the time the policy is issued.

(b) A net 1-year term premium for such benefits provided for in the first policy year.

2. If any life insurance policy issued on or after January 1, 1987, for which the contract premium in the first policy year exceeds that of the second year, and for which no comparable additional benefit is provided in the first year in return for the excess premium and which provides an endowment benefit or a cash surrender value or a combination thereof in an amount greater than the excess premium, the reserve according to the Commissioners' reserve valuation method as of any policy anniversary occurring on or before the assumed ending date, which is the first policy anniversary on which the sum of any endowment benefit and any cash surrender value then available is greater than the excess premium, must, except as otherwise provided in NRS 681B.150, be the greater of:

(a) The reserve as of the policy anniversary calculated as described in subsection 1; and

(b) The reserve as of the policy anniversary calculated as described in subsection 1, but with:

(1) The value defined in paragraph (a) of subsection 1 being reduced by 15 percent of the amount of the excess first-year premium;

(2) All present values of benefits and premiums being determined without reference to premiums or benefits provided for by the policy after the assumed ending date;

(3) The policy being assumed to mature on such date as an endowment; and

(4) The cash surrender value provided on that date being considered as an endowment benefit. In making the above comparison, the mortality and interest bases stated in NRS 681B.120 and 681B.125 must be used.

3. Reserves according to the Commissioners' reserve valuation method for:

(a) Life insurance policies providing for a varying amount of insurance or requiring the payment of varying premiums;

(b) Group annuity and pure endowment contracts purchased under a retirement plan or plan of deferred compensation, established or maintained by an employer (including a partnership or sole proprietorship), by an employee organization or by both, other than a plan providing individual retirement accounts or individual retirement annuities under section 408 of the Internal Revenue Code, as amended;

(c) Disability and accidental death benefits in all policies and contracts; and

(d) All other benefits, except life insurance and endowment benefits in life insurance policies and benefits provided by all other annuity and pure endowment contracts,

↪ must be calculated by a method consistent with the principles of subsection 1 and this subsection, except that any extra premiums charged because of impairments or special hazards must be disregarded in the determination of modified net premiums.

4. This subsection applies to all annuity and pure endowment contracts except those group annuity and pure endowment contracts for which reserves according to the Commissioners' reserve valuation method are to be calculated by a method consistent with the principles of subsections 1, 2 and 3. Reserves according to the Commissioners' annuity reserve method for benefits under annuity or pure endowment contracts, excluding any disability and accidental death benefits in those contracts must be the greatest of the respective excesses of the present values, at the date of valuation, of the future guaranteed benefits, including guaranteed nonforfeiture benefits, provided for by those contracts at the end of each respective contract year, over the present value, at the date of valuation, of any future valuation considerations derived from future gross considerations, required by the terms of the contract, which become payable before the end of such respective contract year. The future guaranteed benefits must be determined by using the mortality table, if any, and the interest rate or rates specified in such contracts for determining guaranteed benefits. The valuation considerations are the portions of the respective gross considerations applied under the terms of the contracts to determine nonforfeiture values.

5. An insurer's aggregate reserves for all life insurance policies, excluding disability and accidental death benefits, issued on or after January 1, 1972, must not be less than the aggregate reserves calculated in accordance with the methods set forth in this section, NRS 681B.145 and 681B.150, and the mortality table or tables and rate or rates of interest used in calculating nonforfeiture benefits for those policies.

6. An insurer's aggregate reserves for all policies, contracts and benefits must not be less than the aggregate reserves determined by a qualified actuary to be necessary for a favorable opinion under NRS 681B.210 and 681B.220.

7. *The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.*

8. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.*

Sec. 40.35. NRS 681B.140 is hereby amended to read as follows:

681B.140 1. Reserves for any category of policies, contracts or benefits as established by the Commissioner, issued on or after January 1, 1972, may be calculated, at the option of the insurer, according to any standards which produce greater aggregate reserves for the category than those calculated

according to the minimum standards provided by subsections 2 and 3 of NRS 681B.120 and 681B.125, but the rate or rates of interest used for policies and contracts other than the annuity and pure endowment contracts must not be higher than the corresponding rate or rates of interest used in calculating any nonforfeiture benefits provided for in such policies.

2. Any insurer which has adopted a standard of valuation producing greater aggregate reserves as described in subsection 1 may, with the approval of the Commissioner, adopt a lower standard of valuation, but not lower than the minimum described in subsection 1.

3. *The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.*

4. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.*

Sec. 40.4. NRS 681B.145 is hereby amended to read as follows:

681B.145 **1.** For any plan of life insurance which provides for the determination of a future premium, the amounts of which are to be determined by the insurer based on estimates of future experience, or for any plan of life insurance or annuity which is of such a nature that the minimum reserves cannot be determined by the methods described in NRS 681B.130 and 681B.150, the reserves which are held under the plan must be:

~~{1-}~~ **(a)** Appropriate in relation to the benefits and the pattern of premiums for the plan; and

~~{2-}~~ **(b)** Computed by a method which is consistent with the principles of standard valuation contained in this chapter.

2. *The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.*

3. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.*

Sec. 40.43. NRS 681B.150 is hereby amended to read as follows:

681B.150 **1.** If in any contract year the gross premium charged by any life insurer on any policy or contract issued on or after January 1, 1972, is less than the valuation net premium for the policy or contract calculated by the method used in calculating the reserve thereon but using the minimum valuation standards of mortality and rate of interest, the minimum reserve required for the policy or contract is the greater of:

~~{1-}~~ **(a)** The reserve calculated according to the mortality table, rate of interest and method actually used for the policy or contract; or

~~{2-}~~ **(b)** The reserve calculated by the method actually used for the policy or contract, but using the minimum valuation standards of mortality and rate

of interest, and replacing the valuation net premium by the actual gross premium in each contract year for which the valuation net premium exceeds the actual gross premium. The minimum valuation standards of mortality and rate of interest referred to in this ~~section~~ **subsection** are the standards stated in NRS 681B.120 and 681B.125.

~~3.1~~ **2.** If any life insurance policy is issued on or after January 1, 1987, for which the gross premium in the first policy year exceeds that of the second year and no comparable additional benefit is provided in the first year in return for the excess premium, and which provides an endowment benefit or a cash surrender value, or a combination thereof, in an amount greater than the excess premium, the provisions of this section must be applied as if the method actually used in calculating the reserve for the policy were the method described in NRS 681B.130 other than in subsection 2 of that section. The minimum reserve required at each policy anniversary of such a policy is the greater of the minimum reserve calculated in accordance with NRS 681B.130, including subsection 2 of that section, and the minimum reserve calculated in accordance with this ~~section~~ **subsection and subsection 1.**

3. The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.

4. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only to, or in connection with, policies and contracts issued on or after January 1, 1972, and before the operative date of the Valuation Manual.

Sec. 40.45. NRS 681B.160 is hereby amended to read as follows:

681B.160 1. Except as otherwise provided in subsection 5, all bonds or other evidences of debt having a fixed term and rate of interest held by an insurer may, if amply secured and not in default as to principal or interest, be valued as follows:

(a) If purchased at par, at the par value.

(b) If purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield in the meantime the effective rate of interest at which the purchase was made or, in lieu of that method, according to an accepted method of valuation that is approved by the Commissioner.

2. The purchase price must not be taken at a higher figure than the actual market value at the time of purchase, plus actual brokerage, transfer, postage or express charges paid in the acquisition of such securities.

3. Unless otherwise provided by a valuation established or approved by the Commissioner, the security must not be carried at above the call price for the entire issue during any period within which the security may be so called.

4. The Commissioner has full discretion in determining the method of calculating values pursuant to this section.

5. A valuation determined pursuant to this section must not be inconsistent with any applicable valuation or method then currently formulated or approved

by the ~~{National Association of Insurance Commissioners or its successor organization.}~~ **NAIC.**

Sec. 40.47. NRS 681B.170 is hereby amended to read as follows:

681B.170 1. Except as otherwise provided in subsection 4, securities, other than those specified in NRS 681B.160, held by an insurer must be valued, in the discretion of the Commissioner, at their market value, or at their appraised value, or at prices determined by the Commissioner as representing their fair market value.

2. Preferred or guaranteed stocks or shares while paying full dividends may be carried at a fixed value in lieu of market value, at the discretion of the Commissioner and in accordance with a method of computation approved by the Commissioner.

3. The stock of a subsidiary of an insurer must be valued on the basis of the value of only those assets of the subsidiary as would constitute lawful investments of the insurer if acquired or held directly by the insurer.

4. A valuation determined pursuant to this section must not be inconsistent with any applicable valuation or method then currently formulated or approved by the ~~{National Association of Insurance Commissioners or its successor organization.}~~ **NAIC.**

Sec. 40.5. NRS 681B.200 is hereby amended to read as follows:

681B.200 1. As used in NRS 681B.200 to 681B.260, inclusive, “qualified actuary” means a **natural** person who is qualified to sign the applicable statement of actuarial opinion in accordance with the qualification standards set by the American Academy of Actuaries for an actuary signing such a statement.

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.*

Sec. 40.55. NRS 681B.210 is hereby amended to read as follows:

681B.210 1. Every insurer doing business in this state shall annually submit the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Commissioner by regulation are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable laws of this state. The Commissioner by regulation may further define or enlarge the scope of this opinion.

2. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.*

Sec. 40.6. NRS 681B.220 is hereby amended to read as follows:

681B.220 1. Every such insurer, unless exempted by or pursuant to regulation, shall also annually submit an opinion of the same qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts specified by the Commissioner by regulation, when considered in light of the assets held by the insurer with respect to the reserves and related actuarial items, including the earnings on the assets invested and

the considerations anticipated to be received and retained under the policies and contracts, make adequate provision for the insurer's obligations under the policies and contracts, including the benefits under and expenses associated with the policies and contracts.

2. The Commissioner may provide by regulation for a period of transition for establishing any higher reserves which the qualified actuary may deem necessary in order to render the opinion required by this section and NRS 681B.210.

3. The holding of additional reserves determined by a qualified actuary to be necessary to render the opinion required by this section or NRS 681B.210, shall not be deemed to be the adoption of a higher standard of valuation for the purposes of NRS 681B.120 or 681B.140.

4. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.*

Sec. 40.65. NRS 681B.230 is hereby amended to read as follows:

681B.230 1. Each opinion required by NRS 681B.220 must be supported by memorandum, in form and substance acceptable to the Commissioner as specified by regulation.

2. If an insurer fails to provide a supporting memorandum at the request of the Commissioner within a period specified by regulation, or the Commissioner determines that the supporting memorandum provided by the insurer fails to meet the standards prescribed by the regulations or is otherwise unacceptable to the Commissioner, the Commissioner may engage a qualified actuary at the expense of the insurer to review the opinion and the basis for the opinion and prepare such supporting memorandum as is required by the Commissioner.

3. *Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.*

Sec. 40.7. NRS 681B.240 is hereby amended to read as follows:

681B.240 1. Every opinion must:

(a) Be submitted with the annual statement reflecting the valuation of reserve liabilities for each year ending on or after December 31, 1996.

(b) Apply to all business in force including, without limitation, individual and group health insurance plans, in form and substance acceptable to the Commissioner as specified by regulation.

(c) Be based on standards adopted from time to time by the Actuarial Standards Board or a successor organization approved by the Commissioner and on such additional standards as the Commissioner may by regulation prescribe.

2. In the case of an opinion required to be submitted by a foreign or alien company, the Commissioner may accept the opinion filed by that company with the commissioner of insurance of another state if the Commissioner determines that the opinion reasonably meets the requirements applicable to an insurer domiciled in this state.

3. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.

Sec. 40.75. NRS 681B.250 is hereby amended to read as follows:

681B.250 1. Except in a case of fraud or willful misconduct, a qualified actuary who is appointed by an insurer to issue an opinion pursuant to this chapter or any regulation adopted pursuant thereto is not liable for damages to any person other than an affected insurer or the Commissioner for any act, error, omission, decision or conduct with respect to the actuary's opinion.

2. Disciplinary action by the Commissioner against an actuary must be prescribed by regulation by the Commissioner.

3. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.

Sec. 41. NRS 681B.260 is hereby amended to read as follows:

681B.260 1. Except as otherwise provided in this section and NRS 239.0115, **and sections 33, 38 and 39 of this act, ~~an opinion,~~ any documents and ~~any~~ other material or information** provided by an insurer to the Commissioner, **which constitute a memorandum in support of an opinion, and any other material provided to the Commissioner** in connection ~~therewith,~~ **with such a memorandum,** must be kept confidential by the Commissioner, is not open to the public, and is not subject to subpoena, except for the purpose of defending an action seeking damages from any person by reason of any action required by NRS 681B.200 to 681B.260, inclusive, or by **any** regulation adopted under those sections.

2. A memorandum or other material may be released by the Commissioner with the written consent of the insurer or to the American Academy of Actuaries or its successor organization upon request stating that the memorandum or other material is required for the purpose of professional disciplinary proceedings and setting forth procedures satisfactory to the Commissioner for preserving the confidentiality of the memorandum or other material.

3. If any portion of a confidential memorandum is cited by the insurer in its marketing or is cited before any governmental agency other than a state commissioner of insurance or is released by an insurer to the public, all portions of the memorandum are no longer confidential.

4. The Commissioner may use the documents, materials and other information described in this section in the furtherance of any regulatory or legal action brought as part of the Commissioner's official duties.

5. Neither the Commissioner nor any other person in receipt of documents, materials or other information obtained while acting under the authority of the Commissioner may be permitted or required to testify in any private civil action concerning any confidential documents, materials or information subject to this section.

6. No waiver of any applicable privilege or claim of confidentiality in the documents, materials or other information described in this section shall

occur as a result of disclosure to the Commissioner pursuant to this section or as a result of sharing as authorized in subsection 8 of NRS 679B.190.

7. A memorandum in support of an opinion, and any other material provided by the applicable company or insurer to the Commissioner in connection with the memorandum, may be subject to subpoena for the purpose of defending an action seeking damages from the actuary submitting the memorandum by reason of an action required by this section.

8. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.

Sec. 41.3. NRS 681B.270 is hereby amended to read as follows:

681B.270 ~~{The Commissioner shall adopt by regulation minimum standards for the valuation of reserves of other insurers offering}~~

1. For health insurance contracts of any kind ~~{}~~ issued on or after January 1, 1972, and before the operative date of the Valuation Manual, by health insurers, corporations for hospital, medical and dental service, health maintenance organizations and plans for dental care ~~{}~~, the minimum standard of valuation is the standard adopted by the Commissioner by regulation.

2. The minimum standard for the valuation of policies and contracts issued before January 1, 1972, must be that provided by the laws in effect immediately preceding that date.

3. Except as otherwise provided in section 39.5 of this act, the provisions of this section apply only before the operative date of the Valuation Manual.

Sec. 41.7. NRS 681B.290 is hereby amended to read as follows:

681B.290 1. Except as otherwise provided in subsection 3, on or before March 1 of each year, each domestic insurer, and each foreign insurer domiciled in a state which does not have requirements for reporting risk-based capital, that transacts property, casualty, life or health insurance in this state shall prepare and submit to the Commissioner, and to each person designated by the Commissioner, a report of the level of the risk-based capital of the insurer as of the end of the immediately preceding calendar year. The report must be in such form and contain such information as required by the regulations adopted by the Commissioner pursuant to this section.

2. The Commissioner shall adopt regulations concerning the amount of risk-based capital required to be maintained by each insurer licensed to do business in this state that is transacting property, casualty, life or health insurance in this state. The regulations must be consistent with the instructions for reporting risk-based capital adopted by the ~~{National Association of Insurance Commissioners,}~~ NAIC, as those instructions existed on January 1, 1997. If the instructions are amended, the Commissioner may amend the regulations to maintain consistency with the instructions if the Commissioner determines that the amended instructions are appropriate for use in this state.

3. The Commissioner may exempt from the provisions of this section:

(a) A domestic insurer who:

(1) Does not transact insurance in any other state;

(2) Does not assume reinsurance that is more than 5 percent of the direct premiums written by the insurer; and

(3) Writes annual premiums of not more than \$2,000,000.

(b) A prepaid limited health service organization that provides or arranges for the provision of limited health services to fewer than 1,000 enrollees.

4. As used in this section, “prepaid limited health service organization” has the meaning ascribed to it in NRS 695F.050.

Sec. 42. Chapter 682A of NRS is hereby amended by adding thereto the provisions set forth as sections 43 to 230, inclusive, of this act.

Sec. 43. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 44 to 130, inclusive, of this act, have the meanings ascribed to them in those sections.*

Sec. 44. *“Acceptable collateral” means:*

1. *As to securities lending transactions, and for the purpose of calculating counterparty exposure amount, cash, cash equivalents, letters of credit, direct obligations of, or securities that are fully guaranteed as to principal and interest by, the Federal Government or any agency thereof, or by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and, as to lending foreign securities, sovereign debt rated 1 by the SVO;*

2. *As to repurchase transactions, cash, cash equivalents and direct obligations of, or securities that are fully guaranteed as to principal and interest by, the Federal Government or any agency thereof, or by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; and*

3. *As to reverse repurchase transactions, cash and cash equivalents.*

Sec. 45. *“Acceptable private mortgage insurance” means insurance written by a private insurer protecting a mortgage lender against loss occasioned by a mortgage loan default and issued by a licensed mortgage insurance company with a rating of 1 by the SVO, or a rating issued by a nationally recognized statistical rating organization equivalent to a rating of 1 by the SVO, that covers losses up to an 80 percent loan-to-value ratio.*

Sec. 46. *“Accident and health insurance” means protection which provides payment of benefits for covered sickness or accidental injury. The term does not include credit insurance, disability insurance, accidental death and dismemberment insurance and long-term care insurance.*

Sec. 47. *“Accident and health insurer” means a licensed life or health insurer or health services corporation whose insurance premiums and required statutory reserves for accident and health insurance constitute at least 95 percent of the total premium considerations or total statutory required reserves, respectively.*

Sec. 48. *“Admitted asset” means an asset permitted to be reported as an admitted asset on the statutory financial statement of the insurer most recently required to be filed with the Commissioner. The term does not*

include assets of separate accounts, the investments of which are not subject to the provisions of this chapter.

Sec. 49. "Affiliate" means, as to any person, another person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the person.

Sec. 50. "Asset-backed security" means a security or other instrument, excluding a mutual fund, evidencing an interest in, or the right to receive payments from, or payable from distributions on, an asset, a pool of assets or specifically divisible cash flows which are legally transferred to a trust, or another special purpose bankruptcy-remote business entity, which meets the conditions set forth in section 131 of this act.

Sec. 51. "Business entity" includes, without limitation, a sole proprietorship, corporation, limited-liability company, association, partnership, joint-stock company, joint venture, mutual fund, trust, joint tenancy or other similar form of business organization, whether organized for-profit or not-for-profit.

Sec. 52. "Cap" means an agreement obligating the seller to make payments to the buyer, with each payment based on the amount by which a reference price or level, or the performance or value of one or more underlying interests, exceeds a predetermined number, sometimes referred to as the strike rate or strike price.

Sec. 53. "Capital and surplus" means the sum of the capital and surplus of the insurer which is required to be shown on the statutory financial statement of the insurer most recently required to be filed with the Commissioner.

Sec. 54. "Cash equivalents" means short-term, highly rated and highly liquid investments or securities that are readily convertible to known amounts of cash without penalty and so near maturity that they present insignificant risk of change in value. The term includes, without limitation, government money market mutual funds and class one money market mutual funds. As used in this section:

1. "Highly rated" means an investment rated:

- (a) "P-1" by Moody's Investor Service, Inc., or its successor organization;
- (b) "A-1" by Standard and Poor's division of The McGraw Hill Companies, Inc., or its successor organization; or
- (c) An equivalent rating by a nationally recognized statistical rating organization recognized by the SVO.

2. "Short-term" means investments with a remaining term to maturity of 90 days or less.

Sec. 55. "Class one bond mutual fund" means a mutual fund that at all times qualifies for investment using the bond class one reserve factor contained in the Purposes and Procedures Manual of the SVO.

Sec. 56. "Class one money market mutual fund" means a money market mutual fund that at all times qualifies for investment using the bond class one reserve factor under the Purposes and Procedures Manual of the SVO.

Sec. 57. *“Collar” means an agreement to receive payments as the buyer of an option, cap or floor and to make payments as the seller of a different option, cap or floor.*

Sec. 58. *“Commercial mortgage loan” means any mortgage loan other than a residential mortgage loan.*

Sec. 59. *“Construction loan” means a loan of less than 3 years in term, made for financing the costs of construction of a building or other improvement to real estate and that is secured by the real estate.*

Sec. 60. *“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract, other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.*

Sec. 61. *“Counterparty exposure amount” means the amount calculated pursuant to section 133 of this act.*

Sec. 62. *“Covered” means that an insurer owns or can immediately acquire, through the exercise of options, warrants or conversion rights already owned, the underlying interest to fulfill or secure its obligations under a call option, cap or floor it has written, or has set aside in accordance with a custodial or escrow agreement, cash or cash equivalents with a market value equal to the amount required to fulfill its obligations in accordance with a put option it has written, in an income generation transaction.*

Sec. 63. *“Credit tenant loan” means a mortgage loan which is made primarily in reliance on the credit standing of a major tenant, structured with an assignment of the rental payments to the lender with real estate pledged as collateral in the form of a first position lien.*

Sec. 64. 1. *“Derivative instrument” means an agreement, option or instrument, or a series or combination thereof:*

(a) To make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make a cash settlement in lieu thereof; or

(b) That has a price, performance, value or cash flow based primarily upon the actual or expected price, level, performance, value or cash flow of one or more underlying interests.

2. *The term includes, without limitation, options, warrants used in a hedging transaction and not attached to another financial instrument, caps, floors, collars, swaps, forwards, futures and any other agreements, options or instruments substantially similar thereto, or any series or combination thereof, and any agreements, options or instruments allowed pursuant to the regulations adopted under section 158 of this act.*

3. *The term does not include an investment authorized by sections 163 to 183, inclusive, 189, and 203 to 223, inclusive, of this act.*

Sec. 65. *“Derivative transaction” means a transaction involving the use of one or more derivative instruments.*

Sec. 66. *“Direct” or “directly,” when used in connection with an obligation, means that the designated obligor is primarily liable on the instrument representing the obligation.*

Sec. 67. *“Dollar roll transaction” means two simultaneous transactions with different settlement dates, not more than 96 days apart, such that in the transaction with the earlier settlement date, an insurer sells to a business entity, and in the other transaction the insurer is obligated to purchase from the same business entity substantially similar securities of the following types:*

1. *Asset-backed securities issued, assumed or guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, or their respective successors; and*

2. *Other asset-backed securities referred to in section 106 of title 1 of the Secondary Mortgage Market Enhancement Act of 1984, 15 U.S.C. § 77r-1, as amended.*

Sec. 68. *“Domestic jurisdiction” means the United States, Canada, any state of the United States, any province of Canada or any political subdivision of any of the foregoing.*

Sec. 69. *“Equity interest” means any of the following that are not rated credit instruments:*

1. *Common stock;*
2. *Preferred stock;*
3. *A trust certificate;*
4. *An equity investment in an investment company, other than a money market mutual fund or a class one bond mutual fund;*
5. *An investment in a common trust fund of a bank regulated by a federal or state agency;*
6. *An ownership interest in minerals, oil or gas, the rights to which have been separated from the underlying fee interest in the real estate where the minerals, oil or gas are located;*
7. *Instruments which are mandatorily, or at the option of the issuer, convertible to equity;*
8. *Limited partnership interests and those general partnership interests authorized pursuant to paragraph (d) of subsection 1 of section 154 of this act;*
9. *Member interests in a limited-liability company;*
10. *Warrants or other rights to acquire equity interests that are created by the person that owns or would issue the equity to be acquired; and*
11. *Instruments that would be rated credit instruments.*

Sec. 70. *“Equivalent securities” means any securities which meet the qualifications of section 134 of this act.*

Sec. 71. *“Floor” means an agreement obligating the seller to make payments to the buyer in which each payment is based on the amount by which a predetermined number, sometimes called the floor rate or price,*

exceeds a reference price, level, performance or value of one or more underlying interests.

Sec. 72. “Foreign currency” means a currency other than that of a domestic jurisdiction.

Sec. 73. “Foreign investment” means an investment in a foreign jurisdiction, or an investment in a person, real estate or asset domiciled in a foreign jurisdiction, that is substantially of the same type as those eligible for investment in accordance with this chapter, other than an investment made in accordance with sections 179 to 183, inclusive, and 219 to 223, inclusive, of this act.

Sec. 74. “Foreign jurisdiction” means a jurisdiction other than a domestic jurisdiction.

Sec. 75. “Forward” means an agreement, other than a future, to make or take delivery of or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests.

Sec. 76. “Future” means an agreement, traded on a qualified exchange or qualified foreign exchange, to make or take delivery of, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests.

Sec. 77. “Government money market mutual fund” means a money market mutual fund that at all times:

1. Invests only in obligations issued, guaranteed or insured by the Federal Government or collateralized repurchase agreements composed of these obligations; and

2. Qualifies for investment without a reserve in accordance with the Purposes and Procedures Manual of the SVO.

Sec. 78. “Government-sponsored enterprise” means a:

1. Governmental agency; or
2. Corporation, limited-liability company, association, partnership, joint stock company, joint venture, trust or other entity or instrumentality organized in accordance with the laws of any domestic jurisdiction to accomplish a public policy or other governmental purpose.

Sec. 79. “Guaranteed or insured,” when used in connection with an obligation acquired in accordance with the provisions of this chapter, means that the guarantor or insurer has agreed to:

1. Perform or insure the obligation of the obligor or purchase the obligation; or

2. Be unconditionally obligated until the obligation is repaid to maintain in the obligor a minimum net worth, fixed charge coverage, stockholder’s equity or sufficient liquidity to enable the obligor to pay the obligation in full.

Sec. 80. “Hedging transaction” means a derivative transaction which is entered into and maintained to reduce:

1. The risk of a change in the value, yield, price, cash flow or quantity of assets or liabilities which the insurer has acquired or incurred or anticipates acquiring or incurring; or

2. The currency exchange rate risk or the degree of exposure as to assets or liabilities which an insurer has acquired or incurred or anticipates acquiring or incurring.

Sec. 81. *“High grade investment” means a rated credit instrument rated 1 or 2 by the SVO.*

Sec. 82. *“Income” means, as to a security, interest, accrual of discount, dividends or other distributions, including, without limitation, rights, tax or assessment credits, warrants and distributions in kind.*

Sec. 83. *“Income generation transaction” means a derivative transaction involving the writing of covered call options, covered put options, covered caps or covered floors that is intended to generate income or enhance returns.*

Sec. 84. *“Insurance future” means a future relating to an index or pool that is based on insurance-related claims.*

Sec. 85. *“Insurance future option” means an option on an insurance future.*

Sec. 86. *“Investment company” has the meaning ascribed to it in 15 U.S.C. § 80a-3, as amended, and a person described in section 3(c) of that Act.*

Sec. 87. *“Investment company series” means an investment portfolio of an investment company that is organized as a series company and to which assets of the investment company have been specifically allocated.*

Sec. 88. *“Investment practices” means transactions of the types described in sections 178, 184 to 188, inclusive, 218 and 224 to 228, inclusive, of this act.*

Sec. 89. *“Investment strategy” means the techniques and methods used by an insurer to meet its investment objectives, including, without limitation, active bond portfolio management, passive bond portfolio management, interest rate anticipation, growth investing and value investing.*

Sec. 90. *“Investment subsidiary” means a subsidiary of an insurer engaged or organized to engage exclusively in the ownership and management of assets authorized as investments for the insurer where the subsidiary limits its investment in any asset so that its investments will not cause the amount of the total investment of the insurer to exceed any of the investment limitations or avoid any other provisions of this chapter applicable to the insurer. As used in this section, “total investment of the insurer” includes:*

1. Direct investment by the insurer in an asset; and

2. The insurer’s proportionate share of an investment in an asset by an investment subsidiary of the insurer, calculated by multiplying the amount of the subsidiary’s investment by the percentage of the insurer’s ownership interest in the subsidiary.

Sec. 91. *“Letter of credit” means a clean, irrevocable and unconditional document that serves as a guaranty for payments made to a specified person under specified conditions, issued or confirmed by, and payable and presentable at, a financial institution on the list of financial institutions meeting the standards for issuing letters of credit in accordance with the Purposes and Procedures Manual of the SVO.*

Sec. 92. *“Limited-liability company” means a business organization, excluding partnerships and ordinary business corporations, that is organized or operating in accordance with the laws of the United States, or any state thereof, and that limits the personal liability of investors to the equity investment of the investor in the business organization.*

Sec. 93. *“Lower grade investment” means a rated credit instrument that is rated 4, 5 or 6 by the SVO.*

Sec. 94. *“Market value” means:*

1. *As to cash and letters of credit, the face amounts thereof; and*
2. *As to a security as of any date, the price for the security on that date obtained from a generally recognized source or the most recent quotation from such a source or, to the extent no generally recognized source exists, the price for the security as determined in good faith by the parties to a transaction, plus accrued but unpaid income thereon to the extent not included in the price on that date.*

Sec. 95. *“Medium grade investment” means a rated credit instrument that is rated 3 by the SVO.*

Sec. 96. *“Money market mutual fund” means a mutual fund that meets the conditions of 17 C.F.R. § 270.2a-7, adopted in accordance with the provisions of the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., as amended.*

Sec. 97. *“Mortgage loan” means an obligation secured by a mortgage, deed of trust, trust deed or other consensual lien on real estate.*

Sec. 98. *“Multilateral development bank” means an international development organization of which the United States is a member.*

Sec. 99. *“Mutual fund” means an investment company or, in the case of an investment company that is organized as a series company, an investment company series, that, in either case, is registered with the United States Securities and Exchange Commission in accordance with the provisions of the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., as amended.*

Sec. 100. *“NAIC” means the National Association of Insurance Commissioners, or its successor organization.*

Sec. 101. *“Obligation” means evidence of indebtedness for the payment of money or other consideration, whether constituting a general obligation of the issuer or payable only out of certain revenues or certain funds pledged or otherwise dedicated for payment. The term includes, without limitation, a bond, note, debenture, trust certificate, including an equipment certificate,*

production payment, negotiable bank certificate of deposit, banker's acceptance, credit tenant loan or loan secured by financing net leases.

Sec. 102. *"Option" means an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance or value of one or more underlying interests.*

Sec. 103. *"Over-the-counter derivative instrument" means a derivative instrument entered into with a business entity other than through a qualified exchange or qualified foreign exchange, or cleared through a qualified clearinghouse.*

Sec. 104. *"Person" means an individual, a business entity, a multilateral development bank or a government or quasi-governmental body, including, without limitation, a political subdivision or a government sponsored enterprise.*

Sec. 105. *"Potential exposure" means the amount determined in accordance with the Annual Statement Instructions for the type of insurer to be reported on as adopted by the NAIC.*

Sec. 106. *"Preferred stock" means the stock of a business entity authorized to issue the stock and that has a preference in liquidation over the common stock of the business entity.*

Sec. 107. *"Qualified bank" means:*

1. *A national bank, state bank or trust company that at all times is not less than adequately capitalized as determined by the standards adopted by United States banking regulators and that is either regulated by state banking laws or is a member of the Federal Reserve System; or*

2. *A bank or trust company incorporated or organized in accordance with the laws of a country other than the United States that is regulated as a bank or trust company by that country's government, or an agency thereof, and that at all times is not less than adequately capitalized as determined by the standards adopted by international banking authorities.*

Sec. 108. *"Qualified business entity" means a business entity that is:*

1. *An issuer of obligations or preferred stock that is rated 1 or 2 by the SVO or an issuer of obligations, preferred stock or derivative instruments that are rated the equivalent of 1 or 2 by the SVO or by a nationally recognized statistical rating organization recognized by the SVO; or*

2. *A primary dealer in United States government securities, recognized by the Federal Reserve Bank of New York.*

Sec. 109. *"Qualified clearinghouse" means a clearinghouse for, and subject to the rules of, a qualified exchange or qualified foreign exchange, which provides clearing services, including acting as a counterparty to each of the parties to a transaction such that the parties no longer have credit risk as to each other.*

Sec. 110. *"Qualified exchange" means:*

1. A securities exchange registered as a national securities exchange or a securities market regulated in accordance with the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a et seq., as amended;

2. A board of trade or commodities exchange designated as a contract market by the United States Commodity Futures Trading Commission or any successor thereof;

3. Private Offerings, Resales and Trading through Automated Linkages, otherwise known as PORTAL;

4. A designated offshore securities market as defined in Securities Exchange Commission Regulation S, 17 C.F.R. Part 230, as amended; or

5. A qualified foreign exchange.

Sec. 111. “Qualified foreign exchange” means a foreign exchange, board of trade or contract market located outside the United States, its territories or possessions:

1. That has received regulatory comparability relief in accordance with Commodity Futures Trading Commission Rule 30.10, as set forth in 17 C.F.R. Part 30, Appendix C, as amended;

2. That is, or its members are, subject to the jurisdiction of a foreign futures authority that has received regulatory comparability relief in accordance with Commodity Futures Trading Commission Rule 30.10, as set forth in 17 C.F.R. Part 30, Appendix C, as amended, as to futures transactions in the jurisdiction where the exchange, board of trade or contract market is located; or

3. Upon which foreign stock index futures contracts are listed that are the subject of no-action relief issued by the Commodity Futures Trading Commission’s Office of General Counsel, provided that an exchange, board of trade or contract market that qualifies as a qualified foreign exchange only in accordance with this section is a qualified foreign exchange as to foreign stock index futures contracts that are the subject of no-action relief.

Sec. 112. 1. “Rated credit instrument” means a contractual right to receive cash or another rated credit instrument from another entity which instrument:

(a) Is rated or required to be rated by the SVO;

(b) In the case of an instrument with a maturity of 397 days or less, is issued, guaranteed or insured by an entity that is rated by, or another obligation of such entity is rated by, the SVO or by a nationally recognized statistical rating organization recognized by the SVO;

(c) In the case of an instrument with a maturity of 90 days or less, is issued by a qualified bank;

(d) Is a share of a class one bond mutual fund; or

(e) Is a share of a money market mutual fund.

2. The term does not include:

(a) An instrument that is mandatorily, or at the option of the issuer, convertible to an equity interest; or

(b) A security that has a par value and whose terms provide that the issuer's net obligation to repay all or part of the security's par value is determined by reference to the performance of an equity, a commodity, a foreign currency or an index of equities, commodities, foreign currencies, or any combination thereof.

Sec. 113. 1. "Real estate" means:

(a) Real property;

(b) Interests in real property, including, without limitation, leaseholds, minerals and oil and gas that have not been separated from the underlying fee interest;

(c) Improvements and fixtures located on or in real property; and

(d) The seller's equity in a contract providing for a deed of real estate.

2. As to a mortgage on real estate, the term includes the leasehold estate only if it has an unexpired term, including, without limitation, renewal options exercisable at the option of the lessee, extending beyond the scheduled maturity date of the obligation that is secured by a mortgage on the leasehold estate for the greater of:

(a) A period equal to at least 20 percent of the original term of the obligation; or

(b) Ten years.

Sec. 114. "Replication transaction" means a derivative transaction that is intended to replicate the performance of one or more assets which an insurer is authorized to acquire in accordance with the provisions of this chapter. The term does not include a derivative transaction that is entered into as a hedging transaction.

Sec. 115. "Repurchase transaction" means a transaction in which an insurer purchases securities from a business entity that is obligated to repurchase the purchased securities, or equivalent securities, from the insurer at a specified price, either within a specified period of time or upon demand.

Sec. 116. "Required liabilities" means the total liabilities required to be reported on the statutory financial statement of the insurer most recently required to be filed with the Commissioner.

Sec. 117. "Residential mortgage loan" means a mortgage loan primarily secured by real estate which is improved with at least one but not more than four residential dwelling units.

Sec. 118. "Reverse repurchase transaction" means a transaction in which an insurer sells securities to a business entity and is obligated to repurchase the sold securities, or equivalent securities, from the business entity at a specified price, either within a specified period of time or on demand.

Sec. 119. "Secured location" means the contiguous real estate owned by one person.

Sec. 120. "Securities lending transaction" means a transaction in which securities are loaned by an insurer to a business entity that is obligated to

return the loaned securities, or equivalent securities, to the insurer, either within a specified period of time or upon demand.

Sec. 121. “Series company” means an investment company that is organized as a series company, as defined in 17 C.F.R. § 270.18f-2.

Sec. 122. “Sinking fund stock” means preferred stock that:

1. Is subject to a mandatory sinking fund or similar arrangement that will provide for the redemption or open market purchase of the entire issue over a period not greater than 40 years after the date of acquisition; and

2. Provides for mandatory sinking fund installments or open market purchases commencing not more than 10.5 years after the date of issue, with the sinking fund installments providing for the purchase or redemption, on a cumulative basis commencing 10 years after the date of issue, of at least 2.5 percent per year of the original number of shares of that issue of preferred stock.

Sec. 123. “Special rated credit instrument” means a rated credit instrument that meets the requirements of section 136 of this act.

Sec. 124. “State” means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

Sec. 125. “Substantially similar securities” means securities that meet all criteria for “substantially similar” specified in the Accounting Practices and Procedures Manual adopted by the NAIC, as amended, and in an amount that constitutes good delivery form as determined from time to time by the Public Securities Administration, or its successor organization.

Sec. 126. “SVO” means the Securities Valuation Office of the NAIC, or any successor office established by the NAIC.

Sec. 127. “Swap” means an agreement to exchange or to net payments at one or more times based on the actual or expected price, level, performance or value of one or more underlying interests.

Sec. 128. “Underlying interest” means the assets, liabilities, other interests or a combination thereof underlying a derivative instrument, including, without limitation, any one or more securities, currencies, rates, indices, commodities or derivative instruments.

Sec. 129. “Unrestricted surplus” means the amount by which total admitted assets exceed 125 percent of the insurer’s required liabilities.

Sec. 130. “Warrant” means an instrument that:

1. Gives the holder the right to purchase an underlying financial instrument at a given price and time or at a series of prices and times outlined in the warrant agreement; and

2. Is issued alone or in connection with the sale of other securities, including, without limitation, as part of a merger or recapitalization agreement, or to facilitate the divestiture of the securities of another business entity.

Sec. 131. To qualify as an asset-backed security, a trust or other special purpose bankruptcy-remote business entity must meet the following conditions:

1. *The trust or other business entity is established solely for the purpose of acquiring specific types of assets or rights to cash flows, issuing securities and other instruments representing an interest in or right to receive cash flows from those assets or rights, and engaging in activities required to service the assets or rights and any credit enhancement or support features held by the trust or other business entity; and*

2. *The assets of the trust or other business entity consist solely of interest-bearing obligations or other contractual obligations representing the right to receive payment from the cash flows from the assets or rights. The existence of credit enhancements, including, without limitation, letters of credit or guarantees, or support features, including, without limitation, swap agreements, do not cause a security or other instrument to be ineligible as an asset-backed security.*

Sec. 132. 1. *Control, as defined in section 60 of this act, shall be deemed to exist if a person, directly or indirectly, owns, controls, holds with the power to vote or holds proxies representing 10 percent or more of the voting securities of another person.*

2. *A presumption of control may be rebutted by a showing that control does not exist in fact.*

3. *The Commissioner may determine, after furnishing all interested persons notice and an opportunity to be heard and making specific findings of fact to support the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.*

Sec. 133. 1. *Except as otherwise provided in this section, the counterparty exposure amount is the net amount of credit risk attributable to an over-the-counter derivative instrument. The amount of credit risk equals:*

(a) *The market value of the over-the-counter derivative instrument if the liquidation of the derivative instrument would result in a final cash payment to the insurer; or*

(b) *Zero, if the liquidation of the derivative instrument would not result in a final cash payment to the insurer.*

2. *If over-the-counter derivative instruments are entered into in accordance with a written master agreement which provides for netting of payments owed by the respective parties, and the domiciliary jurisdiction of the counterparty is either within the United States or, if not within the United States, within a foreign jurisdiction listed in the Purposes and Procedures Manual of the SVO as eligible for netting, the net amount of credit risk is the greater of zero or the net sum of:*

(a) *The market value of the over-the-counter derivative instruments entered into in accordance with the agreement, the liquidation of which would result in a final cash payment to the insurer; and*

(b) *The market value of the over-the-counter derivative instruments entered into in accordance with the agreement, the liquidation of which would result in a cash payment by the insurer to the business entity.*

3. For open transactions, market value must be determined at the end of the most recent quarter of the insurer's fiscal year and must be reduced by the market value of acceptable collateral held by the insurer or placed in escrow by one or both parties.

Sec. 134. To qualify as equivalent securities, the securities must be:

1. In a securities lending transaction, securities that are identical to the loaned securities in all features including the amount of the loaned securities, except as to certificate number if held in physical form, but if any different security is exchanged for a loaned security by recapitalization, merger, consolidation or other corporate action, the different security shall be deemed to be the loaned security;

2. In a repurchase transaction, securities that are identical to the purchased securities in all features including the amount of the purchased securities, except as to the certificate number if held in physical form; or

3. In a reverse repurchase transaction, securities that are identical to the sold securities in all features including the amount of the sold securities, except as to the certificate number if held in physical form.

Sec. 135. 1. An investment shall not be deemed a foreign investment if the issuing person, qualified primary credit source or qualified guarantor is a domestic jurisdiction or a person domiciled in a domestic jurisdiction unless:

(a) The issuing person is a shell business entity; and

(b) The investment is not assumed, accepted, guaranteed or insured or otherwise backed by a domestic jurisdiction or a person, that is not a shell business entity, domiciled in a domestic jurisdiction.

2. For the purposes of this section:

(a) "Qualified guarantor" means a guarantor against which an insurer has a direct claim for full and timely payment, evidenced by a contractual right for which an enforcement action can be brought in a domestic jurisdiction; and

(b) "Qualified primary credit source" means the credit source to which an insurer looks for payment as to an investment and against which an insurer has a direct claim for full and timely payment, evidenced by a contractual right for which an enforcement action can be brought in a domestic jurisdiction.

(c) "Shell business entity" means a business entity having no economic substance, except as a vehicle for owning interests in assets issued, owned or previously owned by a person domiciled in a foreign jurisdiction;

Sec. 136. 1. To qualify as a special rated credit instrument the instrument must be:

(a) An instrument that is structured so that, if it is held until retired by or on behalf of the issuer, its rate of return, based on its purchase cost and any cash flow stream possible in accordance with the structure of the transaction, may become negative because of reasons other than the credit

risk associated with the issuer of the instrument. A rated credit instrument is not a special rated credit instrument for the purposes of this section if it is:

(1) A share in a class one bond mutual fund;

(2) An instrument, other than an asset-backed security, with payments of par value fixed as to amount and timing, or callable but in any event payable only at par or greater, and interest or dividend cash flows that are based on either a fixed or variable rate determined by reference to a specified rate or index;

(3) An instrument, other than an asset-backed security, that has a par value and is purchased at a price not more than 110 percent of par;

(4) An instrument, including an asset-backed security, whose rate of return would become negative only as a result of a prepayment due to casualty, condemnation, economic obsolescence of collateral or change of law;

(5) An asset-backed security that relies on collateral that meets the requirements of subparagraph (2), the par value of which collateral:

(I) Is not allowed to be paid sooner than one-half of the remaining term to maturity from the date of acquisition;

(II) Is allowed to be paid before maturity only at a premium sufficient to provide a yield to maturity for the investment, considering the amount prepaid and reinvestment rates at the time of early repayment, at least equal to the yield to maturity of the initial investment; or

(III) Is allowed to be paid before maturity at a premium at least equal to the yield of a treasury issue of comparable remaining life; or

(6) An asset-backed security that relies on cash flows from assets that are not prepayable at any time at par, but is not otherwise governed by subparagraph (5), if the asset-backed security has a par value reflecting principal payments to be received if held until retired by or on behalf of the issuer and is purchased at a price not more than 105 percent of such par amount.

(b) An asset-backed security that:

(1) Relies on cash flows from assets that are prepayable at par at any time;

(2) Does not make payments of par that are fixed as to amount and timing; and

(3) Has a negative rate of return at the time of acquisition if a prepayment threshold assumption is used. As used in this subsection, "prepayment threshold assumption" includes:

(I) Two times the prepayment expectation reported by a recognized, publicly available source as being the median of expectations contributed by broker dealers or other entities, except insurers, engaged in the business of selling or evaluating such securities or assets. The prepayment expectation used in this calculation is, at the insurer's election, the prepayment expectation for pass-through securities of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the

Government National Mortgage Association, or, for other assets of the same type as the assets that underlie the asset-backed security, in either case with a gross weighted average coupon of the assets that underlie the asset-backed security.

(II) Another prepayment threshold assumption specified by the Commissioner by regulation adopted pursuant to section 158 of this act.

2. For the purposes of paragraph (b) of subsection 1, if the asset-backed security is purchased in combination with one or more other asset-backed securities that are supported by identical underlying collateral, the insurer may calculate the rate of return for these specific combined asset-backed securities in combination. The insurer shall maintain documentation demonstrating that such securities were acquired and are continuing to be held in combination.

Sec. 137. Subject to the provisions of section 138 of this act, an insurer shall not acquire or hold an investment as an admitted asset unless at the time of acquisition the investment is:

1. Eligible for the payment or accrual of interest or a discount, whether in cash or securities, eligible to receive dividends or other distributions or is otherwise income producing; or

2. Acquired in accordance with sections 168, 170, 176 to 180, inclusive, 182 to 185, inclusive, 208, 210, 216 to 220, inclusive, or 221 and 222 of this act or pursuant to the authority of this title, other than this chapter.

Sec. 138. An insurer may acquire or hold as admitted assets investments that do not otherwise qualify as provided in this chapter if:

1. The insurer has not acquired them for the purpose of circumventing any limitations contained in this chapter;

2. The insurer complies with the provisions of sections 154 and 157 of this act as to the investments; and

3. The insurer acquires the investments in the following circumstances:

(a) As payment on account of existing indebtedness or in connection with the refinancing, restructuring or workout of existing indebtedness, if taken to protect the insurer's interest in that investment;

(b) As realization on collateral for an obligation;

(c) In connection with an otherwise qualified investment or investment practice, as interest on, or a dividend or other distribution related to, the investment or investment practice, or in connection with the refinancing of the investment, in each case for no additional or only nominal consideration;

(d) Under a lawful and bona fide agreement of recapitalization or voluntary or involuntary reorganization in connection with an investment held by the insurer; or

(e) Under a bulk reinsurance, merger or consolidation transaction approved by the Commissioner if the assets constitute admissible investments for the ceding, merged or consolidated companies.

Sec. 139. 1. An investment, or portion of an investment, acquired by an insurer in accordance with section 138 of this act becomes a nonadmitted

asset 3 years, or 5 years in the case of mortgage loans and real estate, after the date of its acquisition, unless within that period the investment has become a qualified investment in accordance with a provision of this chapter, other than section 138 of this act, but an investment acquired in accordance with an agreement of bulk reinsurance, merger or consolidation may be qualified for a longer period if so provided in the plan for reinsurance, merger or consolidation as approved by the Commissioner.

2. Upon application by the insurer, and a showing that the nonadmission of an asset held in accordance with section 138 of this act would materially injure the interests of the insurer, the Commissioner may extend the period of admissibility for an additional reasonable period of time.

Sec. 140. Except as otherwise provided in sections 141 and 143 of this act, an investment shall be deemed to qualify pursuant to this chapter if, on the date the insurer committed to acquire the investment or on the date of its acquisition, it would have qualified pursuant to this chapter. For the purposes of determining limitations contained in this chapter, an insurer shall give appropriate recognition to any commitments to acquire investments.

Sec. 141. 1. An investment, held as an admitted asset by an insurer on July 1, 2015, which qualified pursuant to this chapter before July 1, 2015, shall be deemed to remain qualified as an admitted asset pursuant to this chapter.

2. Each specific transaction constituting an investment practice of the type described in this chapter that was lawfully entered into by an insurer, and was in effect on July 1, 2015, must continue to be allowed in accordance with the provisions of this chapter until its expiration or termination in accordance with its terms.

Sec. 142. Unless otherwise specified, an investment limitation computed on the basis of an insurer's admitted assets or capital and surplus shall relate to the amount required to be shown on the statutory balance sheet of the insurer most recently required to be filed with the Commissioner. For purposes of computing any limitation based on admitted assets, the insurer shall deduct from the amount of its admitted assets the amount of the liability recorded on its statutory balance sheet for:

1. The return of acceptable collateral received in a reverse repurchase transaction or a securities lending transaction;

2. Cash received in a dollar roll transaction; and

3. The amount reported as borrowed money in the most recently filed financial statement to the extent not included in subsections 1 and 2.

Sec. 143. An investment qualified, in whole or in part, for acquisition or holding as an admitted asset may be qualified or prequalified at the time of acquisition or a later date, in whole or in part, in accordance with any section of this chapter if the relevant conditions contained in that section are satisfied at the time of qualification or requalification.

Sec. 144. *An insurer shall maintain documentation demonstrating that investments were acquired in accordance with the provisions of this chapter, and specifying the section of this chapter pursuant to which they were acquired.*

Sec. 145. *An insurer shall not enter into an agreement to purchase securities in advance of their issuance for resale to the public as part of a distribution of the securities by the issuer, or otherwise guarantee the distribution, except that an insurer may acquire privately placed securities with registration rights.*

Sec. 146. *Notwithstanding the provisions of this chapter, the Commissioner, for good cause, may, in accordance with the provisions of chapter 233B of NRS, order an insurer to nonadmit, limit, dispose of, withdraw from or discontinue an investment or investment practice. The authority of the Commissioner pursuant to this section is in addition to any other authority of the Commissioner.*

Sec. 147. *Insurance futures and insurance future options are not considered investments or investment practices for the purposes of this chapter.*

Sec. 148. *An insurer's board of directors shall adopt a written plan for acquiring and holding investments and for engaging in investment practices that specifies guidelines as to the quality, maturity and diversification of investments and other specifications, including, without limitation, investment strategies intended to ensure that the investments and investment practices are appropriate for the business conducted by the insurer, its liquidity needs and its capital and surplus. The board of directors shall review and assess the insurer's technical investment and administrative capabilities and expertise before adopting a written plan concerning an investment strategy or practice.*

Sec. 149. *Investments acquired and held pursuant to this chapter must be acquired and held under the supervision and direction of the board of directors of the insurer. The board of directors shall evidence by formal resolution, at least annually, that it has determined whether all investments have been made in accordance with delegations, standards, limitations and investment objectives prescribed by the board or a committee of the board charged with the responsibility to direct the insurer's investments.*

Sec. 150. *On no less than a quarterly basis, and more often if deemed appropriate, an insurer's board of directors or a committee of the board shall:*

1. *Receive and review a summary report on the insurer's investment portfolio, its investment activities and practices engaged in pursuant to delegated authority, in order to determine whether the investment activity or practice of the insurer is consistent with its written plan; and*

2. *Review and revise, as appropriate, the written plan.*

Sec. 151. *In discharging its duties pursuant to sections 148 to 153, inclusive, of this act, the board of directors shall require that the records of*

any authorizations or approvals, other documentation as the board may require and reports of any action taken pursuant to authority delegated in accordance with the written plan referred to in section 148 of this act be made available on a regular basis to the board of directors.

Sec. 152. In discharging its duties pursuant to sections 148 to 153, inclusive, of this act, the board of directors of an insurer shall perform its duties in good faith and with that degree of care that ordinarily prudent individuals in like positions would use under similar circumstances.

Sec. 153. If an insurer does not have a board of directors, all references to the board of directors in this chapter shall be deemed to be references to the governing body of the insurer having authority equivalent to that of a board of directors.

Sec. 154. 1. An insurer shall not, directly or indirectly:

(a) Invest in an obligation or security, or make a guarantee for the benefit of or in favor of an officer or director of the insurer, except as provided in sections 155 and 156 of this act;

(b) Invest in an obligation or security, make a guarantee for the benefits of or in favor of, or make other investments in a business entity of which 10 percent or more of the voting securities or equity interests are owned directly or indirectly by, or for the benefit of, one or more officers or directors of the insurer, except as authorized in chapter 692C of NRS or provided in sections 155 and 156 of this act;

(c) Engage on its own behalf, or through one or more affiliates, in a transaction or series of transactions designed to evade the prohibitions of this chapter;

(d) Invest in a partnership as a general partner, except that an insurer may make an investment as a general partner:

(1) If all other partners are subsidiaries of the insurer;

(2) For the purpose of:

(I) Meeting cash calls committed to before July 1, 2015;

(II) Completing those specific projects or activities of the partnership in which the insurer was a general partner on July 1, 2015, that had been undertaken as of that date; or

(III) Making capital improvements to property owned by the partnership on July 1, 2015, if the insurer was a general partner as of that date; or

(3) Pursuant to section 138 of this act; or

(e) Invest in or lend its funds upon the security of shares of its own stock, except that an insurer may acquire shares of its own stock for the following purposes:

(1) Conversion of a stock insurer into a mutual or reciprocal insurer or a mutual or reciprocal insurer into a stock insurer;

(2) Issuance to the insurer's officers, employees or agents in connection with a plan approved by the Commissioner for converting a publicly held insurer into a privately held insurer pursuant to NRS 693A.400

to 693A.540, inclusive, or in connection with other stock option and employee benefit plans; or

(3) In accordance with any other plan approved by the Commissioner.

2. Nothing contained in paragraph (d) of subsection 1 shall be construed to prohibit a subsidiary or other affiliate of the insurer from becoming a general partner.

3. Any investment or loan made by an insurer in accordance with the provisions of paragraph (e) of subsection 1 must not be an admitted asset of the insurer.

Sec. 155. 1. Except as otherwise provided in section 156 of this act, an insurer shall not, without the prior written approval of the Commissioner, directly or indirectly:

(a) Make a loan to, or another investment in, an officer or director of the insurer, or a person in which the officer or director has any direct or indirect financial interest;

(b) Make a guarantee for the benefit of, or in favor of, an officer or director of the insurer, or a person in which the officer or director has any direct or indirect financial interest; or

(c) Enter into an agreement for the purchase or sale of property from or to an officer or director of the insurer, or a person in which the officer or director has any direct or indirect financial interest.

2. For the purposes of this section, an officer or director shall not be deemed to have a financial interest by reason of an interest that is held directly or indirectly through the ownership of equity interests representing less than 2 percent of all outstanding equity interests issued by a person that is a party to the transaction, or solely by reason of that individual's position as a director or officer of a person that is a party to the transaction.

3. This section does not allow an investment that is prohibited by section 154 of this act.

4. This section does not apply to a transaction between an insurer and any of its subsidiaries or affiliates that is entered into in compliance with the provisions of chapter 692C of NRS, other than a transaction between an insurer and its officer or director.

Sec. 156. An insurer may, without the prior written approval of the Commissioner, make:

1. Policy loans in accordance with the terms of the policy or contract and section 189 of this act;

2. Advances to officers or directors for expenses reasonably expected to be incurred in the ordinary course of the insurer's business or guarantees associated with credit or charge cards issued, or credit extended, for the purpose of financing these expenses;

3. Loans secured by the principal residence of an existing or new officer of the insurer made in connection with the officer's relocation at the insurer's request, if the loans comply with the requirements of sections 174 to 177, inclusive, or 214 to 217, inclusive, of this act and the terms and

conditions otherwise are the same as those generally available from unaffiliated third parties;

4. Secured loans to an existing or new officer of the insurer made in connection with the officer's relocation at the insurer's request, if the loans:

(a) Do not have a term exceeding 2 years;

(b) Are required to finance mortgage loans outstanding at the same time on the prior and new residences of the officer;

(c) Do not exceed an amount equal to the equity of the officer in the prior residence; and

(d) Are required to be fully repaid upon the earlier of the end of the 2-year period or the sale of the prior residence; or

5. Loans and advances to officers or directors made in compliance with state or federal law specifically related to the loans and advances by a regulated noninsurance subsidiary or affiliate of the insurer in the ordinary course of business and on terms not more favorable than available to other customers of the entity.

Sec. 157. For the purposes of this chapter, the value or amount of an investment acquired or held, or an investment practice engaged in, pursuant to this chapter, unless otherwise specified in this title, is the value at which assets of an insurer are required to be reported for statutory accounting purposes as determined in accordance with procedures prescribed in published accounting and valuation standards of the NAIC, including, without limitation, the Purposes and Procedures Manual of the SVO and the Valuation of Securities Manual, the Accounting Practices and Procedures Manual, the Annual Statement Instructions or any successor valuation procedures officially adopted by the NAIC.

Sec. 158. The Commissioner may, pursuant to chapter 233B of NRS, adopt regulations to carry out the provisions of this chapter.

Sec. 159. Sections 159 to 193, inclusive, of this act apply to the investments and investment practices of life and health insurers.

Sec. 160. 1. Except as otherwise specified in this chapter, an insurer shall not acquire, directly or indirectly through an investment subsidiary, an investment in accordance with the provisions of this chapter if, as a result of and after giving effect to the investment, the insurer would hold more than 3 percent of its admitted assets in investments of all kinds issued, assumed, accepted, insured or guaranteed by a single person, or 5 percent of its admitted assets in investments in the voting securities of a depository institution or any company that controls the institution.

2. The limitations in subsection 1 do not apply to the aggregate amounts insured by a single financial guaranty insurer with the highest generic rating issued by a nationally recognized statistical rating organization.

3. Asset-backed securities are not subject to the limitations in subsection 1. However, an insurer shall not acquire an asset-backed security if, as a result of and after giving effect to the investment, the aggregate amount of asset-backed securities secured by, or evidencing an interest in, a single asset

or single pool of assets held by a trust or other business entity held by the insurer would exceed 3 percent of its admitted assets.

Sec. 161. 1. An insurer shall not acquire, directly or indirectly through an investment subsidiary, an investment in accordance with the provisions of sections 163, 169 to 173, inclusive, or 179 to 183, inclusive, of this act, or counterparty exposure in accordance with the provisions of section 187 of this act if, as a result of and after giving effect to the investment:

(a) The aggregate amount of medium and lower grade investments held by the insurer would exceed 20 percent of its admitted assets;

(b) The aggregate amount of lower grade investments held by the insurer would exceed 10 percent of its admitted assets;

(c) The aggregate amount of investments rated 5 or 6 by the SVO held by the insurer would exceed 3 percent of its admitted assets;

(d) The aggregate amount of investments rated 6 by the SVO held by the insurer would exceed 1 percent of its admitted assets;

(e) The aggregate amount of medium and lower grade investments held by the insurer that receive as cash income less than the equivalent yield for United States Treasury issues with a comparative average life, would exceed 1 percent of its admitted assets;

(f) The aggregate amount of medium and lower grade investments issued, assumed, guaranteed, accepted or insured by any one person or, as to asset-backed securities secured by or evidencing an interest in a single asset or pool of assets, held by the insurer would exceed 1 percent of its admitted assets; or

(g) The aggregate amount of lower grade investments issued, assumed, guaranteed, accepted or insured by any one person or, as to asset-backed securities secured by or evidencing an interest in a single asset or pool of assets, held by the insurer would exceed 0.5 percent of its admitted assets.

2. If an insurer attains or exceeds the limit of any one rating category referred to in this section, the insurer is not precluded from acquiring investments in other rating categories subject to the specific and multicategory limits applicable to those investments.

Sec. 162. 1. An insurer shall not acquire, directly or indirectly through an investment subsidiary, a Canadian investment authorized by the provisions of this chapter if, as a result of and after giving effect to the investment, the aggregate amount of these investments held by the insurer would exceed 40 percent of its admitted assets, or if the aggregate amount of Canadian investments not acquired in accordance with the provisions of paragraph (c) or (d) of subsection 2 of section 163 of this act held by the insurer would exceed 25 percent of its admitted assets.

2. As to an insurer that is authorized to do business in Canada or that has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in Canada and denominated in Canadian currency, the limitations in subsection 1 must be increased by the greater of:

(a) The amount the insurer is required by Canadian law to invest in Canada or to be denominated in Canadian currency; or

(b) An amount not to exceed 115 percent of the amount of its reserves and other obligations under contracts on lives or risks resident or located in Canada.

Sec. 163. 1. Subject to the limitations of section 161 of this act, but not to the limitations of section 160 of this act, an insurer may acquire rated credit instruments issued, assumed, guaranteed or insured by:

(a) The United States;

(b) A government-sponsored enterprise of the United States, if the instruments of the government-sponsored enterprise are assumed, guaranteed or insured by the United States or are otherwise backed or supported by the full faith and credit of the United States;

(c) Canada; or

(d) A government-sponsored enterprise of Canada, if the instruments of the government-sponsored enterprise are assumed, guaranteed or insured by Canada or are otherwise backed or supported by the full faith and credit of Canada.

2. An insurer shall not acquire an instrument in accordance with paragraph (c) or (d) of subsection 1 if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with paragraph (c) or (d) of subsection 1 would exceed 40 percent of its admitted assets.

3. Subject to the limitations of section 161 of this act, but not to the limitations of section 160 of this act, an insurer may acquire credit rated instruments, excluding asset-backed securities:

(a) Issued by a government money market mutual fund, a class one money market mutual fund or a class one bond mutual fund;

(b) Issued, assumed, guaranteed or insured by a government-sponsored enterprise of the United States other than those eligible under subsection 1;

(c) Issued, assumed, guaranteed or insured by a state, if the instruments are general obligations of the state; or

(d) Issued by a multilateral development bank.

4. An insurer shall not acquire an instrument of any one fund, any one enterprise or entity or any one state as described in subsection 3 if, as a result of and after giving effect to the investment, the aggregate amount of investments held in any one fund, enterprise or entity, or state would exceed 10 percent of the insurer's admitted assets.

5. Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire preferred stocks that are not foreign investments and which meet the requirements of rated credit instruments if, as a result of and after giving effect to the investment:

(a) The aggregate amount of preferred stocks held by the insurer in accordance with this section does not exceed 20 percent of the insurer's admitted assets; and

(b) The aggregate amount of preferred stocks held by the insurer in accordance with this section which are not sinking fund stocks or rated P1 or P2 by the SVO does not exceed 10 percent of the insurer's admitted assets.

6. Subject to the limitations of sections 160, 161 and 162 of this act, in addition to those investments eligible pursuant to subsections 1 to 5, inclusive, an insurer may acquire rated credit instruments that are not foreign investments.

7. An insurer shall not acquire special rated credit instruments as described in this section if, as a result of and after giving effect to the investment, the aggregate amount of special rated credit instruments held by the insurer would exceed 5 percent of the insurer's admitted assets.

Sec. 164. 1. An insurer may acquire investments in investment pools that invest only in:

(a) Obligations with an SVO rating of 1 or 2, or the equivalent of an SVO rating of 1 or 2 by a nationally recognized statistical rating organization recognized by the SVO, or, in the absence of an equivalent rating, the issuer has outstanding obligations with the equivalent of an SVO rating of 1 or 2, or an equivalent rating, and have:

(1) A remaining maturity of 397 days or less or a put option that entitles the holder to receive the principal amount of the obligation with the ability to exercise the put option through maturity at specified intervals not exceeding 397 days; or

(2) A remaining maturity less than or equal to 3 years and a floating interest rate that resets not less frequently than quarterly on the basis of a current short-term index and is not subject to a maximum limit, if the obligations do not have an interest rate that varies inversely to market interest rate changes. For the purposes of this subparagraph, qualifying short-term indexes include, without limitation, the federal funds rate, prime rate, treasury bills rates, the London Interbank Offered Rate or commercial paper rates.

(b) Government money market mutual funds or class one money market mutual funds.

(c) Securities lending, repurchase and reverse repurchase transactions that meet all the requirements of section 178 of this act, except the quantitative limitations of subsection 4 of section 178 of this act.

(d) Investments which an insurer may acquire pursuant to this chapter if the insurer's proportionate interest in the amount invested in these investments does not exceed the applicable limits of this chapter.

2. For an investment in an investment pool to be qualified pursuant to this chapter, the investment pool must not:

(a) Acquire securities issued, assumed, guaranteed or insured by the insurer or an affiliate of the insurer;

(b) Borrow or incur any indebtedness for borrowed money, except for securities lending and reverse repurchase transactions that meet the

requirements of section 178 of this act, except the quantitative limitations of subsection 4 of section 178 of this act; or

(c) Permit the aggregate value of securities loaned or sold to, purchased from or invested in any one business entity in accordance with this section to exceed 10 percent of the total assets of the investment pool.

3. The limitations of section 160 of this act do not apply to an insurer's investment in an investment pool, however an insurer shall not acquire an investment in an investment pool in accordance with this section if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with this section:

(a) In any one investment pool would exceed 10 percent of its admitted assets;

(b) In all investment pools investing in investments permitted in accordance with paragraph (d) of subsection 1 would exceed 25 percent of its admitted assets; or

(c) In all investment pools would exceed 35 percent of its admitted assets.

4. For an investment in an investment pool to be qualified pursuant to this chapter, the manager of the investment pool must:

(a) Be organized in accordance with the laws of the United States or a state and designated as the pool manager in a pooling agreement;

(b) Be the insurer, an affiliated insurer or a business entity affiliated with the insurer, a qualified bank, a business entity registered in accordance with the provisions of the Investment Advisers Act of 1940, 15 U.S.C. 80a-1 et seq., as amended, or, in the case of a reciprocal insurer or interinsurance exchange, its attorney-in-fact, or in the case of a United States branch of an alien insurer, its United States manager or affiliates or subsidiaries of its United States manager;

(c) Compile and maintain detailed accounting records setting forth:

(1) The cash receipts and disbursements reflecting each participant's proportionate investments in the investment pool;

(2) A complete description of all underlying assets of the investment pool, including, without limitation, amount, interest rate, maturity date, if any, and other appropriate designations; and

(3) Other records which, on a daily basis, allow third parties to verify each participant's investment in the investment pool; and

(d) Maintain the assets of the investment pool in one or more accounts, in the name of or on behalf of the investment pool, in accordance with a custody agreement with a qualified bank. The custody agreement must:

(1) State and recognize the claims and rights of each participant;

(2) Acknowledge that the underlying assets of the investment pool are held solely for the benefit of each participant in proportion to the aggregate amount of its investments in the investment pool; and

(3) Contain an agreement that the underlying assets of the investment pool must not be commingled with the general assets of the custodian qualified bank or any other person.

5. *The pooling agreement for each investment pool must be in writing and must provide that:*

(a) An insurer and its affiliated insurers or, in the case of an investment pool investing solely in investments allowed in accordance with paragraph (a) of subsection 1, the insurer and its subsidiaries, affiliates or any pension or profit-sharing plan of the insurer, its subsidiaries and affiliates or, in the case of a United States branch of an alien insurer, affiliates or subsidiaries of its United States manager, shall at all times hold 100 percent of the interests in the investment pool.

(b) The underlying assets of the investment pool must not be commingled with the general assets of the pool manager or any other person.

(c) In proportion to the aggregate amount of each pool participant's interest in the investment pool:

(1) Each participant owns an undivided interest in the underlying assets of the investment pool; and

(2) The underlying assets of the investment pool are held solely for the benefit of each participant.

(d) A participant, or in the event of the participant's insolvency, bankruptcy or receivership, its trustee, receiver or other successor-in-interest, may withdraw all or any portion of its investment from the investment pool in accordance with the terms of the pooling agreement.

(e) Withdrawals may be made on demand without penalty or other assessment on any business day, but settlements of funds must occur within a reasonable and customary period thereafter not to exceed 5 business days. Distributions in accordance with this paragraph must be calculated in each case net of all applicable fees and expenses of the investment pool. The pooling agreement must provide that the pool manager shall distribute to a participant, at the discretion of the pool manager:

(1) In cash, the then fair market value of the participant's pro rata share of each underlying asset of the investment pool;

(2) In kind, a pro rata share of each underlying asset; or

(3) In a combination of cash and in-kind distributions, a pro rata share in each underlying asset.

(f) The pool manager shall make the records of the investment pool available for inspection by the Commissioner.

Sec. 165. *Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire equity interests in business entities organized in accordance with the laws of any domestic jurisdiction.*

Sec. 166. *An insurer shall not acquire an investment in accordance with the provisions of sections 165 to 168, inclusive, of this act if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with those sections would exceed 20 percent of the insurer's admitted assets, or the amount of equity interests held by the insurer that are not listed on a qualified exchange would exceed 5 percent of the insurer's admitted assets. An accident and health*

insurer is not subject to the provisions of sections 165 to 168, inclusive, of this act, but is subject to the same aggregate limitation on equity interests as a property and casualty insurer in accordance with the provisions of sections 195 to 199, inclusive, and 205 to 208, inclusive, of this act.

Sec. 167. An insurer shall not acquire in accordance with the provisions of sections 165 to 168, inclusive, of this act any investments that the insurer may acquire in accordance with the provisions of sections 174 to 177, inclusive, of this act.

Sec. 168. An insurer shall not short sell equity investments unless the insurer covers the short sale by owning the equity investment or an unrestricted right to the equity investment exercisable within 6 months after the short sale.

Sec. 169. 1. Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire tangible personal property or equity interests therein located or used wholly or in part within a domestic jurisdiction either directly or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates or other similar instruments.

2. Investments acquired as described in subsection 1 are eligible only if:

(a) The property is subject to a lease or other agreement with a person whose rated credit instruments in the amount of the purchase price of the personal property the insurer could acquire in accordance with the provisions of section 163 of this act; and

(b) The lease or other agreement provides the insurer the right to receive rental, purchase or other fixed payments for the use or purchase of the property, and the aggregate value of the payments, together with the estimated residual value of the property at the end of its useful life and the estimated tax benefits to the insurer resulting from ownership of the property, must be adequate to return the cost of the insurer's investment in the property, plus a return deemed adequate by the insurer.

Sec. 170. The insurer shall compute the amount of each investment acquired in accordance with the provisions of sections 169 to 173, inclusive, of this act on the basis of the out-of-pocket purchase price and applicable related expenses paid by the insurer for the investment, net of each borrowing made to finance the purchase price and expenses, to the extent the borrowing is without recourse to the insurer.

Sec. 171. An insurer shall not acquire an investment in accordance with the provisions of sections 169 to 173, inclusive, of this act if, as a result of and after giving effect to the investment, the aggregate amount of all investments held by the insurer in accordance with the provisions of sections 169 to 173, inclusive, of this act would exceed:

1. Two percent of its admitted assets; or

2. One half of one percent of its admitted assets as to any single item of tangible personal property.

Sec. 172. For the purposes of determining compliance with the limitations of sections 160, 161 and 162 of this act, investments acquired by an insurer in accordance with the provisions of sections 169 to 173, inclusive, of this act must be aggregated with those acquired in accordance with the provisions of section 163 of this act, and each lessee of the property under a lease referred to in sections 169 to 173, inclusive, of this act shall be deemed the issuer of an obligation in the amount of the investment of the insurer in the property determined as provided in section 170 of this act.

Sec. 173. Nothing in sections 169 to 173, inclusive, of this act applies to tangible personal property lease arrangements between an insurer and its subsidiaries and affiliates in accordance with a cost-sharing arrangement or agreement permitted in accordance with the provisions of chapter 692C of NRS.

Sec. 174. 1. Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire, either directly or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates or other similar instruments, obligations secured by mortgages on real estate situated within a domestic jurisdiction.

2. A mortgage loan which is secured by other than a first lien must not be acquired unless the insurer is the holder of the first lien.

3. The obligations held by the insurer and any obligations with an equal lien priority shall not, at the time of acquisition of the obligation, exceed:

(a) Ninety percent of the fair market value of the real estate, if the mortgage loan is secured by a purchase money mortgage or like security received by the insurer upon disposition of the real estate.

(b) Eighty percent of the fair market value of the real estate, if the mortgage loan requires immediate scheduled payment in periodic installments of principal and interest, has an amortization period of not more than 30 years and periodic payments made not less frequently than annually. Each periodic payment must be sufficient to ensure that at all times the outstanding principal balance of the mortgage loan is not greater than the outstanding principal balance that would be outstanding under a mortgage loan with the same original principal balance, with the same interest rate and requiring equal payments of principal and interest with the same frequency over the same amortization period. Mortgage loans allowed in accordance with this section are allowed notwithstanding the fact that they provide for a payment of the principal balance before the end of the period of amortization of the loan. For residential mortgage loans, the 80-percent limitation may be increased to 97 percent if acceptable private mortgage insurance has been obtained.

(c) Seventy-five percent of the fair market values of the real estate for mortgage loans that do not meet the requirements of paragraph (a) or (b).

4. For purposes of subsections 1, 2 and 3, the amount of an obligation required to be included in the calculation of the loan-to-value ratio may be reduced to the extent the obligation is insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans Affairs, or their successors.

5. A mortgage loan that is held by an insurer pursuant to section 141 of this act or acquired in accordance with the provisions of sections 174 to 177, inclusive, of this act, and is restructured in a manner that meets the requirements of a restructured mortgage loan in conformance with the Accounting Practices and Procedures Manual adopted by the NAIC will continue to qualify as a mortgage loan in accordance with the provisions of this chapter.

6. Subject to the limitations of sections 160, 161 and 162 of this act, credit lease transactions that do not qualify for investment pursuant to section 163 of this act are exempt from the provisions of subsections 1, 2 and 3 if they meet the following criteria:

(a) The loan amortizes over the initial fixed lease term at least in an amount sufficient so that the loan balance at the end of the lease term does not exceed the original appraised value of the real estate;

(b) The lease payments cover or exceed the total debt service over the life of the loan;

(c) A tenant or its affiliated entity whose rated credit instruments have an SVO rating of 1 or 2, or a comparable rating from a nationally recognized statistical rating organization recognized by the SVO, has a full faith and credit obligation to make the lease payments;

(d) The insurer holds or is the beneficial holder of a first lien mortgage on the real estate;

(e) The expenses of the real estate are passed through to the tenant, excluding exterior, structural, parking and heating, ventilation and air conditioning replacement expenses, unless annual escrow contributions, from cash flows derived from the lease payments, cover the expense shortfall; and

(f) There is a perfected assignment of the rents due pursuant to the lease to, or for the benefit of, the insurer.

Sec. 175. 1. An insurer may acquire, manage and dispose of real estate situated in a domestic jurisdiction either directly or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates or other similar instruments. The real estate must be income producing or intended for improvement or development for investment purposes under an existing program, in which case the real estate shall be deemed to be income producing.

2. The real estate may be subject to mortgages, liens or other encumbrances, the amount of which must, to the extent that the obligations secured by the mortgages, liens or encumbrances are without recourse to the insurer, be deducted from the amount of the investment of the insurer in the real estate for purposes of determining compliance with subsections 2 and 3 of section 177 of this act.

Sec. 176. 1. An insurer may acquire, manage and dispose of real estate for the convenient accommodation of the insurer's, and its affiliates, business operations, including home office, branch office and filed office operations.

2. Real estate acquired as described in this section may include excess space for rent to others, if the excess space, valued at its fair market value, would otherwise be an allowed investment in accordance with the provisions of section 175 of this act and is so qualified by the insurer.

3. The real estate acquired as described in this section may be subject to one or more mortgages, liens or other encumbrances, the amount of which must, to the extent that the obligations secured by the mortgages, liens or encumbrances are without recourse to the insurer, be deducted from the amount of the investment of the insurer in the real estate for purposes of determining compliance with subsection 4 of section 177 of this act.

4. For the purposes of this section, business operations must not include that portion of real estate used for the direct provision of health care services by an accident and health insurer for its insureds. An insurer may acquire real estate used for these purposes under section 175 of this act.

Sec. 177. 1. An insurer shall not acquire an investment in accordance with the provisions of section 174 of this act if, as a result of and after giving effect to the investment, the aggregate amount of all investments held by the insurer pursuant to that section would exceed:

(a) One percent of its admitted assets in mortgage loans covering any one secured location;

(b) One-quarter of one percent of its admitted assets in construction loans covering any one secured location; or

(c) Two percent of its admitted assets in construction loans in the aggregate.

2. An insurer shall not acquire an investment under section 175 of this act if, as a result of and after giving effect to the investment and any outstanding guarantees made by the insurer in connection with the investment, the aggregate amount of investments held by the insurer under section 175 of this act plus the guarantees outstanding would exceed:

(a) One percent of its admitted assets in one parcel or group of contiguous parcels of real estate, except that this limitation does not apply to that portion of real estate used for the direct provision of health care services by an accident and health insurer for its insureds, such as hospitals, medical clinics, medical professional buildings or other health facilities used for the purpose of providing health services; or

(b) Fifteen percent of its admitted assets in the aggregate, but not more than 5 percent of its admitted assets as to properties that are to be improved or developed.

3. An insurer shall not acquire an investment pursuant to sections 174 and 175 of this act if, as a result of and after giving effect to the investment and any guarantees made by the insurer in connection with the investment, the aggregate amount of all investments held by the insurer in accordance with those sections plus the guarantees outstanding would exceed 45 percent of the insurer's admitted assets. An insurer may exceed this limitation by not more than 30 percent of the insurer's admitted assets if:

- (a) This increased amount is invested only in residential mortgage loans;*
- (b) The insurer has not more than 10 percent of the insurer's admitted assets invested in mortgage loans other than residential mortgage loans;*
- (c) The loan-to-value ratio of each residential mortgage loan does not exceed 60 percent at the time the mortgage loan is qualified pursuant to this increased authority, and the fair market value is supported by an appraisal that is not more than 2 years old and prepared by an independent appraiser;*
- (d) A single mortgage loan qualified pursuant to this increased authority does not exceed 0.5 percent of the insurer's admitted assets;*
- (e) The insurer files with the Commissioner, and receives approval from the Commissioner for, a plan that is designed to result in a portfolio of residential mortgage loans that is sufficiently geographically diversified; and*
- (f) The insurer agrees to file annually with the Commissioner records which demonstrate that the insurer's portfolio of residential mortgage loans is geographically diversified in accordance with the plan.*

4. The limitations of sections 160, 161 and 162 of this act do not apply to an insurer's acquisition of real estate under section 175 of this act. An insurer shall not acquire real estate under section 175 of this act if, as a result of and after giving effect to the acquisition, the aggregate amount of real estate held by the insurer in accordance with that section would exceed 10 percent of its admitted assets. With the approval of the Commissioner, additional amounts of real estate may be acquired under section 175 of this act.

Sec. 178. An insurer may enter into securities lending, repurchase, reverse repurchase and dollar roll transactions with business entities, subject to the following requirements:

1. The insurer's board of directors shall adopt a written plan that is consistent with the requirements of the written plan in section 148 of this act which specifies the guidelines and objectives to be followed, including, without limitation:

- (a) A description of how cash received will be invested or used for general corporate purposes of the insurer;*
- (b) Operational procedures to manage interest rate risk, counterparty default risk, the conditions under which proceeds from reverse repurchase*

transactions may be used in the ordinary course of business and the use of acceptable collateral in a manner that reflects the liquidity needs of the transactions; and

(c) The extent to which the insurer may engage in these transactions.

2. The insurer shall enter into a written agreement for all transactions authorized by this section other than dollar roll transactions. The written agreement must require that each transaction terminate not more than 1 year after its inception or upon the earlier demand of the insurer. The agreement must be with the business entity counterparty, but for securities lending transactions, the agreement may be with an agent acting on behalf of the insurer, if the agent is a qualified business entity and if the agreement:

(a) Requires the agent to enter into separate agreements with each counterparty that are consistent with the requirements of this section; and

(b) Prohibits securities lending transactions under the agreement with the agent or its affiliates.

3. Cash received in a transaction as described in this section must be invested in accordance with the provisions of this chapter and in a manner that recognizes the liquidity needs of the transaction or used by the insurer for its general corporate purposes. For so long as the transaction remains outstanding, the insurer, its agent or custodian shall maintain, as to acceptable collateral received in a transaction in accordance with this section, either physically or through book entry systems of the Federal Reserve, the Depository Trust Company, the Participants Trust Company or any other securities depositories approved by the Commissioner:

(a) Possession of the acceptable collateral;

(b) A perfected security interest in the acceptable collateral; or

(c) In the case of a jurisdiction outside of the United States, title to, or rights of a secured creditor to, the acceptable collateral.

4. The limitations of sections 160, 161, 162 and 179 to 183, inclusive, of this act do not apply to the business entity counterparty exposure created by transactions entered into under this section. For purposes of calculations made to determine compliance with this subsection, no effect will be given to the insurer's future obligation to resell securities, in the case of a repurchase transaction, or to repurchase securities, in the case of a reverse repurchase transaction. An insurer shall not enter into a transaction under this section if, as a result of and after giving effect to the transaction:

(a) The aggregate amount of securities loaned, sold or purchased from any one business entity counterparty under this section would exceed 5 percent of its admitted assets. In calculating the amount sold to or purchased from a business entity counterparty in accordance with repurchase or reverse purchase transactions, effect may be given to netting provisions under a master written agreement.

(b) The aggregate amount of all securities loaned, sold to or purchased from all business entities under this section would exceed 40 percent of its admitted assets.

5. In a securities lending transaction, the insurer shall receive acceptable collateral having a market value on the transaction date equal to 102 percent or more of the market value of the securities loaned by the insurer in the transaction on that date. If at any time the market value of the acceptable collateral is less than the market value of the loaned securities, the business entity counterparty is obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in connection with the transaction, equals 102 percent or more of the market value of the loaned securities.

6. In a reverse repurchase transaction, other than a dollar roll transaction, the insurer shall receive acceptable collateral having a market value on the transaction date equal to 95 percent or more of the market value of the securities transferred by the insurer in the transaction on that date. If at any time the market value of the acceptable collateral is less than 95 percent of the market value of the securities so transferred, the business entity counterparty is obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in connection with the transaction, equals 95 percent or more of the market value of the transferred securities.

7. In a dollar roll transaction, the insurer shall receive cash in an amount equal to at least the market value of the securities transferred by the insurer in the transaction on the transaction date.

8. In a repurchase transaction, the insurer shall receive as acceptable collateral transferred securities having a market value equal to 102 percent or more of the purchase price paid by the insurer for the securities. If at any time the market value of the acceptable collateral is less than 100 percent of the purchase price paid by the insurer, the business entity counterparty is obligated to provide additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in connection with the transaction, equals 102 percent or more of the purchase price. Securities acquired by an insurer in a repurchase transaction may not be sold in a reverse repurchase transaction, loaned in a securities lending transaction or otherwise pledged.

9. To constitute acceptable collateral for the purposes of this section, a letter of credit must have an expiration date beyond the term of the subject transaction.

Sec. 179. Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire foreign investments, or engage in investment practices with persons of or in foreign jurisdictions, of substantially the same type as those that an insurer is allowed to acquire pursuant to this chapter, other than of the type allowed under section 164 of this act if, as a result of and after giving effect to the investments:

1. The aggregate amount of foreign investments held by the insurer in accordance with this section does not exceed 20 percent of its admitted assets; and

2. *The aggregate amount of foreign investments held by the insurer in accordance with this section in a single foreign jurisdiction does not exceed 10 percent of its admitted assets as to a foreign jurisdiction that has a sovereign debt rating of SVO 1 or 3 percent of its admitted assets as to any other foreign jurisdiction.*

Sec. 180. 1. *Subject to the limitations of sections 160, 161 and 162 of this act, an insurer may acquire investments, or engage in investment practices denominated in foreign currencies, whether or not they are foreign investments acquired as described in section 179 of this act, or additional foreign currency exposure as a result of the termination or expiration of a hedging transaction with respect to investments denominated in a foreign currency if:*

(a) The aggregate amount of investments held by the insurer in accordance with this section denominated in foreign currencies does not exceed 10 percent of its admitted assets; and

(b) The aggregate amount of investments held by the insurer in accordance with this section denominated in the foreign currency of a single foreign jurisdiction does not exceed 10 percent of its admitted assets as to a foreign jurisdiction that has a sovereign debt rating of SVO 1 or 3 percent of its admitted assets as to any other foreign jurisdiction.

2. *An investment must not be considered denominated in a foreign currency if the acquiring insurer enters into one or more contracts in transactions allowed under sections 184 to 188, inclusive, of this act and the business entity counterparty agrees in the contract or contracts to exchange all payments made on the foreign currency denominated investment for United States currency at a rate which effectively insulates the investment cash flows against future changes in currency exchange rates during the period the contract or contracts are in effect.*

Sec. 181. *In addition to investments allowed under sections 179 and 180 of this act, an insurer that is authorized to do business in a foreign jurisdiction, and that has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in that foreign jurisdiction and denominated in a foreign currency of that jurisdiction, may acquire foreign investments respecting that foreign jurisdiction, and may acquire investments denominated in the currency of that jurisdiction, subject to the limitations of sections 160, 161 and 162 of this act. Investments made in accordance with this section in obligations of foreign governments, their political subdivisions and government-sponsored enterprises are not subject to the limitations of sections 160, 161 and 162 of this act if those investments carry an SVO rating of 1 or 2. The aggregate amount of investments acquired by the insurer in accordance with this section must not exceed the greater of:*

1. *The amount the insurer is required by the law of the foreign jurisdiction to invest in the foreign jurisdiction; or*

2. *One hundred fifteen percent of the amount of the insurer's reserves, net of reinsurance, and other obligations under the contracts on lives or risks resident or located in the foreign jurisdiction.*

Sec. 182. *In addition to investments allowed under sections 179 and 180 of this act, an insurer that is not authorized to do business in a foreign jurisdiction, but which has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in that foreign jurisdiction and denominated in foreign currency of that jurisdiction, may acquire foreign investments respecting that foreign jurisdiction, and may acquire investments denominated in the currency of that jurisdiction subject to the limitations of sections 160, 161 and 162 of this act. Investments made in accordance with this section in obligations of foreign governments, their political subdivisions and government-sponsored enterprises are not subject to the limitations of sections 160, 161 and 162 of this act if those investments carry an SVO rating of 1 or 2. The aggregate amount of investments acquired by the insurer in accordance with this section must not exceed 105 percent of the amount of the insurer's reserves, net of reinsurance, and other obligations under the contracts on lives or risks resident or located in the foreign jurisdiction.*

Sec. 183. *Investments acquired in conformance with sections 179 to 183, inclusive, of this act must be aggregated with investments of the same types made under this chapter, and in a similar manner, for purposes of determining compliance with the limitations, if any, contained in this chapter. Investments in obligations of foreign governments, their political subdivisions and government-sponsored enterprises of these persons, except for those exempted by sections 181 and 182 of this act, are subject to the limitations of sections 160, 161 and 162 of this act.*

Sec. 184. *An insurer may, directly or indirectly through an investment subsidiary, engage in derivative transactions as described in sections 184 to 188, inclusive, of this act pursuant to the following conditions:*

1. *An insurer may use derivative instruments under sections 184 to 188, inclusive, of this act to engage in hedging transactions and certain income generation transactions, as these terms may be further defined in regulations adopted by the Commissioner pursuant to section 158 of this act; and*

2. *An insurer must be able to demonstrate to the Commissioner the intended hedging characteristics and the ongoing effectiveness of the derivative transaction or combination of the transactions through cash flow testing or other appropriate analyses.*

Sec. 185. *An insurer may enter into hedging transactions under sections 184 to 188, inclusive, of this act if, as a result of and after giving effect to the transaction:*

1. *The aggregate statement value of options, caps, floors and warrants not attached to another financial instrument purchased and used in hedging transactions does not exceed 7.5 percent of its admitted assets;*

2. *The aggregate statement value of options, caps and floors written in hedging transactions does not exceed 3 percent of its admitted assets; and*

3. *The aggregate potential exposure of collars, swaps, forwards and futures used in hedging transactions does not exceed 6.5 percent of its admitted assets.*

Sec. 186. *An insurer may only enter into the following types of income generation transactions if, as a result of and after giving effect to the transactions, the aggregate statement value of the fixed income assets that are subject to call or which generate the cash flows for payments under the caps or floors, plus the face value of fixed income securities underlying a derivative instrument subject to call, plus the amount of the purchase obligations under the puts, does not exceed 10 percent of its admitted assets:*

1. *Sales of covered call options on noncallable fixed income securities, callable fixed income securities if the option expires by its terms before the end of the noncallable period or derivative instruments based on fixed income securities;*

2. *Sales of covered call options on equity securities, if the insurer holds in its portfolio, or can immediately acquire through the exercise of options, warrants or conversion rights already owned, the equity securities subject to call during the complete term of the call option sold;*

3. *Sales of covered puts on investments that the insurer is allowed to acquire pursuant to this chapter, if the insurer has escrowed, or entered into a custodian agreement segregating, cash or cash equivalents with a market value equal to the amount of its purchase obligations under the put during the complete term of the put option sold; or*

4. *Sales of covered caps or floors, if the insurer holds in its portfolio the investments generating the cash flow to make the required payments under the caps or floors during the complete term that the cap or floor is outstanding.*

Sec. 187. *An insurer shall include all counterparty exposure amounts in determining compliance with the limitations of sections 160, 161 and 162 of this act.*

Sec. 188. *In accordance with the regulations adopted pursuant to section 158 of this act, the Commissioner may approve additional transactions involving the use of derivative instruments in excess of the limits of section 185 of this act for other risk-management purposes, but replication transactions must not be allowed for other than risk-management purposes.*

Sec. 189. *A life insurer may lend to a policyholder on the security of the cash surrender value of the policyholder's policy a sum not exceeding the legal reserve that the insurer is required to maintain on the policy.*

Sec. 190. *Solely for the purpose of acquiring investments that exceed the quantitative limitations of sections 160 to 183, inclusive, of this act, an insurer may acquire in accordance with this section an investment, or engage in investment practices described in section 178 of this act, but an*

insurer shall not acquire an investment or engage in investment practices described in section 178 of this act in accordance with this section if, as a result of and after giving effect to the transaction:

1. The aggregate amount of investments held by the insurer would exceed 3 percent of its admitted assets; or

2. The aggregate amount of investments as to one limitation in sections 160 to 183, inclusive, of this act held by the insurer would exceed 1 percent of its admitted assets.

Sec. 191. 1. In addition to the authority provided in section 190 of this act, an insurer may acquire in accordance with this section an investment of any kind, or engage in investment practices described in section 178 of this act that are not specifically prohibited by the provisions of this chapter, without regard to the categories, conditions, standards or other limitations of sections 160 to 183, inclusive, of this act if, as a result of and after giving effect to the transaction, the aggregate amount of investments held would not exceed the lesser of:

(a) Ten percent of its admitted assets; or

(b) Seventy-five percent of its capital and surplus.

2. An insurer shall not acquire any investment or engage in any investment practice in accordance with this section if, as a result of and after giving effect to the transaction, the aggregate amount of all investments in any one person held by the insurer would exceed 3 percent of its admitted assets.

Sec. 192. In addition to the investments acquired as described in sections 190 and 191 of this act, an insurer may acquire in accordance with this section an investment of any kind, or engage in investment practices described in section 178 of this act, that are not specifically prohibited by the provisions of this chapter, without regard to any limitations of sections 160 to 183, inclusive, of this act if:

1. The Commissioner grants prior approval;

2. The insurer demonstrates that its investments are being made in a prudent manner and that the additional amounts will be invested in a prudent manner; and

3. As a result of and after giving effect to the transaction the aggregate amount of investments held by the insurer is not greater than:

(a) Twenty-five percent of its capital and surplus; or

(b) One hundred percent of capital and surplus less 10 percent of its admitted assets.

Sec. 193. An investment prohibited by section 154 of this act, not allowed by sections 184 to 188, inclusive, of this act or additional derivative instruments acquired under sections 184 to 188, inclusive, of this act must not be acquired pursuant to sections 190 to 193, inclusive, of this act.

Sec. 194. Sections 194 to 230, inclusive, of this act apply to the investments and investment practices of property and casualty, financial guaranty and mortgage guarantee insurers.

Sec. 195. *Subject to all other limitations and requirements of this chapter, a property and casualty, financial guaranty, mortgage guaranty or accident and health insurer shall maintain an amount not less than 100 percent of adjusted loss reserves and loss adjustment expense reserves, 100 percent of adjusted unearned premium reserves and 100 percent of statutorily required policy and contract reserves in:*

- 1. Cash and cash equivalents;*
- 2. High and medium grade investments that qualify pursuant to sections 203 and 204 of this act;*
- 3. Equity interests that qualify pursuant to sections 205 to 208, inclusive, of this act and which are traded on a qualified exchange;*
- 4. Investments of the type set forth in sections 219 to 223, inclusive, of this act, if the investments are rated in the highest generic rating category by a nationally recognized statistical rating organization recognized by the SVO for rating foreign jurisdictions and if any foreign currency exposure is effectively hedged through the maturity date of the investments;*
- 5. Qualifying investments of the type set forth in subsections 2, 3 and 4 that are acquired pursuant to sections 229 and 230 of this act;*
- 6. Interest and dividends receivable on qualifying investments of the type set forth in subsections 1 to 5, inclusive; or*
- 7. Reinsurance recoverable on paid losses.*

Sec. 196. *1. For the purposes of determining the amount of assets to be maintained in accordance with this section, the calculation of adjusted loss reserves and loss adjustment expense reserves, adjusted unearned premium reserves and statutorily required policy and contract reserves must be based on the amounts reported as of the most recent annual or quarterly statement date.*

2. Adjusted loss reserves and loss adjustment expense reserves must be, for each individual line of business, equal to the sum derived by multiplying the amount obtained pursuant to paragraph (a) by the amount obtained pursuant to paragraph (b), and subtracting from the product obtained by way of that multiplication the amount obtained pursuant to paragraph (c), as follows:

(a) The result of each amount reported by the insurer as losses and loss adjustment expenses unpaid for each accident year for each individual line of business.

(b) The discount factor that is applicable to the line of business and accident year published by the Internal Revenue Service in accordance with the provisions of section 846 of the Internal Revenue Code, 26 U.S.C. § 846, as amended, for the calendar year that corresponds to the most recent annual statement of the insurer.

(c) Accrued retrospective premiums discounted by an average discount factor. The discount factor used in this paragraph must be calculated by dividing the losses and loss adjustment expenses unpaid after discounting by

loss and loss adjustment expense reserves before discounting the amount obtained pursuant to paragraph (a).

3. *For purposes of the calculations required pursuant to subsection 2, the losses and loss adjustment expenses unpaid must be determined net of anticipated salvage and subrogation, and gross of any discount for the time value of money or tabular discount.*

4. *Adjusted unearned premium reserves must be equal to the sum derived by subtracting the amount obtained pursuant to paragraph (b) from the amount obtained pursuant to paragraph (a), as follows:*

(a) The amount reported by the insurer as unearned premium reserves.

(b) The admitted asset amounts reported by the insurer as:

(1) Premiums in and agent's balances in the course of collection, accident and health premiums due and unpaid and uncollected premiums for accident and health premiums;

(2) Premiums, agent's balances and installments booked but deferred and not yet due; and

(3) Bills receivable, taken for premium.

5. *Statutorily required policy and contract reserves also must include, without limitation, any required contingency reserves, including, without limitation, in the case of a mortgage guaranty insurer, the amounts required by NRS 681B.100.*

Sec. 197. *A property and casualty, financial guaranty, mortgage guaranty or accident and health insurer shall supplement its annual statement with a reconciliation and summary of its assets and reserve requirements as required in sections 195 and 196 of this act. A reconciliation and summary showing that an insurer's assets as required in sections 195 and 196 of this act are greater than or equal to its undiscounted reserves referred to in sections 195 and 196 of this act is sufficient to satisfy this requirement. Upon prior notification, the Commissioner may require an insurer to submit such a reconciliation and summary with any quarterly statement filed during the calendar year.*

Sec. 198. *If a property and casualty, financial guaranty, mortgage guaranty or accident and health insurer's assets and reserves do not comply with sections 195 and 196 of this act, the insurer shall notify the Commissioner immediately of the amount by which the reserve requirements exceed the annual statement value of the qualifying assets, explain why the deficiency exists and, within 30 days after the date of the notice, propose a plan of action to remedy the deficiency.*

Sec. 199. 1. *If the Commissioner determines that an insurer is not in compliance with sections 195 and 196 of this act, the Commissioner shall require the insurer to eliminate the condition causing the noncompliance within a specified time after the date on which the notice of the Commissioner's requirements is mailed or delivered to the insurer.*

2. *If an insurer fails to comply with the Commissioner's requirements that are imposed pursuant to subsection 1, the insurer is deemed to be in*

hazardous financial condition and the Commissioner shall take one or more of the actions authorized by law as to insurers in hazardous financial condition.

Sec. 200. 1. Except as otherwise specified in this chapter, an insurer shall not acquire, directly or indirectly through an investment subsidiary, an investment in accordance with the provisions of this chapter if, as a result of and after giving effect to the investment, the insurer would hold more than 5 percent of its admitted assets in investments of all kinds issued, assumed, accepted, insured or guaranteed by a single person.

2. The limitation in subsection 1 does not apply to the aggregate amounts insured by a single financial guaranty insurer with the highest generic rating issued by a nationally recognized statistical rating organization.

3. Asset-backed securities are not subject to the limitation in subsection 1. However, an insurer shall not acquire an asset-backed security if, as a result of and after giving effect to the investment, the aggregate amount of asset-backed securities secured by, or evidencing an interest in, a single asset or single pool of assets held by a trust or other business entity held by the insurer would exceed 5 percent of its admitted assets.

Sec. 201. 1. An insurer shall not acquire, directly or indirectly through an investment subsidiary, an investment in accordance with the provisions of sections 203, 209 to 213, inclusive, or 219 to 223, inclusive, of this act or counterparty exposure in accordance with the provisions of section 227 of this act if, as a result of and after giving effect to the investment:

(a) The aggregate amount of all medium and lower grade investments held by the insurer would exceed 20 percent of its admitted assets;

(b) The aggregate amount of lower grade investments held by the insurer would exceed 10 percent of its admitted assets;

(c) The aggregate amount of investments rated 5 or 6 by the SVO held by the insurer would exceed 5 percent of its admitted assets;

(d) The aggregate amount of investments rated 6 by the SVO held by the insurer would exceed 1 percent of its admitted assets; or

(e) The aggregate amount of medium and lower grade investments held by the insurer that receive as cash income less than the equivalent yield for United States Treasury issues with a comparative average life, would exceed 1 percent of its admitted assets.

2. An insurer shall not acquire, directly or indirectly through an investment subsidiary, an investment in accordance with the provisions of sections 203, 209 to 213, inclusive, or 219 to 223, inclusive, of this act or counterparty exposure in accordance with the provisions of section 227 of this act if, as a result of and after giving effect to the investment:

(a) The aggregate amount of medium and lower grade investments issued, assumed, guaranteed, accepted or insured by any one person or, as to asset-backed securities by or evidencing an interest in a single asset or pool of assets, held by the insurer, would exceed 1 percent of its admitted assets; or

(b) The aggregate amount of lower grade investments issued, assumed, guaranteed, accepted or insured by any one person or, as to asset-backed securities by or evidencing an interest in a single asset or pool of assets, held by the insurer, would exceed 0.5 percent of its admitted assets.

3. If an insurer attains or exceeds the limit of any one rating category referred to in this section, the insurer must not be precluded from acquiring investments in other rating categories subject to the specific and multicategory limits applicable to those investments.

Sec. 202. 1. An insurer shall not acquire, directly or indirectly through an investment subsidiary, any Canadian investments authorized by the provisions of this chapter if, as a result of and after giving effect to the investment, the aggregate amount of these investments held by the insurer would exceed 40 percent of its admitted assets, or if the aggregate amount of Canadian investments not acquired in accordance with paragraph (c) or (d) of subsection 1 of section 203 of this act held by the insurer would exceed 25 percent of its admitted assets.

2. As to an insurer that is authorized to do business in Canada or that has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in Canada and denominated in Canadian currency, the limitations in subsection 1 must be increased by the greater of:

(a) The amount the insurer is required by Canadian law to invest in Canada or to be denominated in Canadian currency; or

(b) One hundred twenty-five percent of the amount of its reserves and other obligations under contracts on risks resident or located in Canada.

Sec. 203. 1. Subject to the limitations of section 201 of this act, but not to the limitations of section 200 of this act, an insurer may acquire rated credit instruments issued, assumed, guaranteed or insured by:

(a) The United States;

(b) A government-sponsored enterprise of the United States, if the instruments of the government-sponsored enterprise are assumed, guaranteed or insured by the United States or are otherwise backed or supported by the full faith and credit of the United States;

(c) Canada; or

(d) A government-sponsored enterprise of Canada, if the instruments of the government-sponsored enterprise are assumed, guaranteed or insured by Canada or are otherwise backed or supported by the full faith and credit of Canada.

2. An insurer shall not acquire an instrument in accordance with paragraph (c) or (d) of subsection 1 if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with paragraph (c) or (d) of subsection 1 would exceed 40 percent of its admitted assets.

3. Subject to the limitations of section 201 of this act, but not to the limitations of section 200 of this act, an insurer may acquire rated credit instruments, excluding asset-backed securities:

(a) *Issued by a government money market mutual fund, a class one money market mutual fund or a class one bond mutual fund;*

(b) *Issued, assumed, guaranteed or insured by a government-sponsored enterprise of the United States other than those eligible in accordance with subsection 1;*

(c) *Issued, assumed, guaranteed or insured by a state, if the instruments are general obligations of the state; or*

(d) *Issued by a multilateral development bank.*

4. *An insurer shall not acquire an instrument of any one fund, any one enterprise or entity, or any one state as described in subsection 3 if, as a result of and after giving effect to the investment, the aggregate amount of investments held in any one fund, enterprise or entity or state would exceed 10 percent of the insurer's admitted assets.*

5. *Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire preferred stocks that are not foreign investments and which meet the requirements of rated credit instruments if, as a result of and after giving effect to the investments:*

(a) *The aggregate amount of preferred stocks held by the insurer in accordance with this section does not exceed 20 percent of the insurer's admitted assets; and*

(b) *The aggregate amount of preferred stocks held by the insurer in accordance with this section which are not sinking fund stocks or rated P1 or P2 by the SVO does not exceed 10 percent of the insurer's admitted assets.*

6. *Subject to the limitations of sections 200, 201 and 202 of this act, in addition to those investments eligible pursuant to subsections 1 to 5, inclusive, an insurer may acquire rated credit instruments that are not foreign investments.*

7. *An insurer shall not acquire special rated credit instruments as described in this section if, as a result of and after giving effect to the investment, the aggregate amount of special rated credit instruments held by the insurer would exceed 5 percent of the insurer's admitted assets.*

Sec. 204. 1. *An insurer may acquire investments in investment pools that invest only in:*

(a) *Obligations that are rated 1 or 2 by the SVO or have an equivalent of an SVO 1 or 2 rating, or, in the absence of a 1 or 2 rating or equivalent rating, the issuer has outstanding obligations with an SVO 1 or 2 equivalent rating, by a nationally recognized statistical rating organization recognized by the SVO, and have:*

(1) *A remaining maturity of 397 days or less or a put option that entitles the holder to receive the principal amount of the obligation with the ability to exercise the put option through maturity at specified intervals not exceeding 397 days; or*

(2) *A remaining maturity of less than or equal to 3 years and a floating interest rate that resets not less frequently than quarterly on the basis of a current short-term index and is not subject to a maximum limit, if the*

obligations do not have an interest rate that varies inversely to market interest rate changes. For the purpose of this subparagraph, qualifying short-term indexes include, without limitation, the federal funds rate, prime rate, treasury bills rates, the London Interbank Offered Rate or commercial paper rates.

(b) Government money market mutual funds or class one money market mutual funds.

(c) Securities lending, repurchase and reverse repurchase transactions that meet all the requirements of section 218 of this act, except the quantitative limitations of subsection 4 of that section.

(d) Investments which an insurer may acquire pursuant to this chapter if the insurer's proportionate interest in the amount invested in these investments does not exceed the applicable limits of this chapter.

2. For an investment in an investment pool to be qualified pursuant to this chapter, the investment pool must not:

(a) Acquire securities issued, assumed, guaranteed or insured by the insurer or an affiliate of the insurer;

(b) Borrow or incur any indebtedness for borrowed money, except for securities lending and reverse repurchase transactions that meet the requirements of section 218 of this act except the quantitative limitations of subsection 4 of that section; or

(c) Permit the aggregate value of securities loaned or sold to, purchased from or invested in any one business entity in accordance with this section to exceed 10 percent of the total assets of the investment pool.

3. The limitations of section 200 of this act do not apply to an insurer's investment in an investment pool, however an insurer shall not acquire an investment in an investment pool in accordance with this section if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with this section:

(a) In any one investment pool would exceed 10 percent of its admitted assets;

(b) In all investment pools investing in investments permitted in accordance with paragraph (d) of subsection 1 would exceed 25 percent of its admitted assets; or

(c) In all investment pools would exceed 40 percent of its admitted assets.

4. For an investment in an investment pool to be qualified pursuant to this chapter, the manager of the investment pool must:

(a) Be organized in accordance with the laws of the United States or a state and designated as the pool manager in a pooling agreement;

(b) Be the insurer, an affiliated insurer or a business entity affiliated with the insurer, a qualified bank, a business entity registered in accordance with the provisions of the Investment Advisers Act of 1940, 15 U.S.C. §§ 80a-1 et seq., as amended, or, in the case of a United States branch of an alien insurer, its United States manager or affiliates or subsidiaries of its United States manager;

(c) Compile and maintain detailed accounting records setting forth:

(1) The cash receipts and disbursements reflecting each participant's proportionate investments in the investment pool;

(2) A complete description of all underlying assets of the investment pool, including, without limitation, amount, interest rate, maturity date, if any, and other appropriate designations; and

(3) Other records which, on a daily basis, allow third parties to verify each participant's investment in the investment pool; and

(d) Maintain the assets of the investment pool in one or more accounts, in the name of or on behalf of the investment pool, in accordance with a custody agreement with a qualified bank. The custody agreement must:

(1) State and recognize the claims and rights of each participant;

(2) Acknowledge that the underlying assets of the investment pool are held solely for the benefit of each participant in proportion to the aggregate amount of its investments in the investment pool; and

(3) Contain an agreement that the underlying assets of the investment pool must not be commingled with the general assets of the custodian qualified bank or any other person.

5. The pooling agreement for each investment pool must be in writing and must provide that:

(a) An insurer and its affiliated insurers or, in the case of an investment pool investing solely in investments allowed in accordance with paragraph (a) of subsection 1, the insurer and its subsidiaries, affiliates or any pension or profit-sharing plan of the insurer, its subsidiaries and affiliates or, in the case of a United States branch of an alien insurer, affiliates or subsidiaries of its United States manager, shall at all times hold 100 percent of the interests in the investment pool.

(b) The underlying assets of the investment pool must not be commingled with the general assets of the pool manager or any other person.

(c) In proportion to the aggregate amount of each pool participant's interest in the investment pool:

(1) Each participant owns an undivided interest in the underlying assets of the investment pool; and

(2) The underlying assets of the investment pool are held solely for the benefit of each participant.

(d) A participant, or in the event of the participant's insolvency, bankruptcy or receivership, its trustee, receiver or other successor-in-interest, may withdraw all or any portion of its investment from the investment pool in accordance with the terms of the pooling agreement.

(e) Withdrawals may be made on demand without penalty or other assessment on any business day, but settlements of funds shall occur within a reasonable and customary period thereafter not to exceed 5 business days. Distributions in accordance with this paragraph must be calculated in each case net of all applicable fees and expenses of the investment pool. The

pooling agreement must provide that the pool manager shall distribute to a participant at the discretion of the pool manager:

(1) In cash, the then fair market value of the participant's pro rata share of each underlying asset of the investment pool;

(2) In kind, a pro rata share of each underlying asset; or

(3) In a combination of cash and in-kind distributions, a pro rata share in each underlying asset.

(f) The pool manager shall make the records of the investment pool available for inspection by the Commissioner.

Sec. 205. Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire equity interests in business entities organized in accordance with the laws of any domestic jurisdiction.

Sec. 206. An insurer shall not acquire an investment in accordance with the provisions of sections 205 to 208, inclusive, of this act if, as a result of and after giving effect to the investment, the aggregate amount of investments held by the insurer in accordance with the provisions of those sections would exceed the greater of 25 percent of the insurer's admitted assets or 100 percent of the insurer's surplus as regards policyholders.

Sec. 207. An insurer shall not acquire in accordance with the provisions of sections 205 to 208, inclusive, of this act any investments that the insurer may acquire in accordance with the provisions of sections 214 to 217, inclusive, of this act.

Sec. 208. An insurer shall not short sell equity investments unless the insurer covers the short sale by owning the equity investment or an unrestricted right to the equity instrument exercisable within 6 months after the short sale.

Sec. 209. 1. Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire tangible personal property or equity interests therein located or used wholly or in part within a domestic jurisdiction either directly or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates or other similar instruments.

2. Investments acquired as described in subsection 1 are eligible only if:

(a) The property is subject to a lease or other agreement with a person whose rated credit instruments in the amount of the purchase price of the personal property the insurer could acquire in accordance with the provisions of section 203 of this act; and

(b) The lease or other agreement provides the insurer the right to receive rental, purchase or other fixed payments for the use or purchase of the property, and the aggregate value of the payments, together with the estimated residual value of the property at the end of its useful life and the estimated tax benefits to the insurer resulting from ownership of the

property, must be adequate to return the cost of the insurer's investment in the property, plus a return deemed adequate by the insurer.

Sec. 210. *The insurer shall compute the amount of each investment entered into in accordance with the provisions of sections 209 to 213, inclusive, of this act on the basis of the out-of-pocket purchase price and applicable related expenses paid by the insurer for the investment, net of each borrowing made to finance the purchase price and expenses, to the extent the borrowing is without recourse to the insurer.*

Sec. 211. *An insurer shall not acquire an investment in accordance with the provisions of sections 209 to 213, inclusive, of this act if, as a result of and after giving effect to the investment, the aggregate amount of all investments held by the insurer in accordance with the provisions of sections 209 to 213, inclusive, of this act would exceed:*

- 1. Two percent of its admitted assets; or*
- 2. One half of one percent of its admitted assets as to any single item of tangible personal property.*

Sec. 212. *For the purposes of determining compliance with the limitations of sections 200, 201 and 202 of this act, investments acquired by an insurer in accordance with the provisions of sections 209 to 213, inclusive, of this act must be aggregated with those acquired in accordance with the provisions of section 203 of this act, and each lessee of the property in accordance with a lease referred to in sections 209 to 213, inclusive, of this act shall be deemed the issuer of an obligation in the amount of the investment of the insurer in the property determined as provided in section 210 of this act.*

Sec. 213. *Nothing in sections 209 to 213, inclusive, of this act applies to tangible personal property lease arrangements between an insurer and its subsidiaries and affiliates in accordance with a cost-sharing arrangement or agreement permitted in accordance with the provisions of chapter 692C of NRS.*

Sec. 214. 1. *Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire, either directly, or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates, or other similar instruments, obligations secured by mortgages on real estate situated within a domestic jurisdiction. A mortgage loan which is secured by other than a first lien must not be acquired unless the insurer is the holder of the first lien.*

2. *The obligations held by the insurer and any obligations with an equal lien priority must not, at the time of acquisition of the obligation, exceed:*

(a) Ninety percent of the fair market value of the real estate, if the mortgage loan is secured by a purchase money mortgage or like security received by the insurer upon disposition of the real estate.

(b) Eighty percent of the fair market value of the real estate, if the mortgage loan requires immediate scheduled payment in periodic installments of principal and interest, has an amortization period of 30 years or less and periodic payments made not less frequently than annually. Each periodic payment must be sufficient to ensure that at all times the outstanding principal balance of the mortgage loan is not greater than the outstanding principal balance that would be outstanding under a mortgage loan with the same original principal balance, the same interest rate and requiring equal payments of principal and interest with the same frequency over the same amortization period. Mortgage loans allowed in accordance with this section are allowed notwithstanding the fact that they provide for a payment of the principal balance before the end of the period of amortization of the loan. For residential mortgage loans, the 80-percent limitation may be increased to 97 percent if acceptable private mortgage insurance has been obtained.

(c) Seventy-five percent of the fair market value of the real estate for mortgage loans that do not meet the requirements of paragraph (a) or (b).

3. For the purposes of subsection 2, the amount of an obligation required to be included in the calculation of the loan-to-value ratio may be reduced to the extent the obligation is insured by the Federal Housing Administration or guaranteed by the Administrator of Veterans Affairs, or their successors.

4. A mortgage loan that is held by an insurer pursuant to section 141 of this act or acquired in accordance with the provisions of sections 214 to 217, inclusive, of this act and is restructured in a manner that meets the requirements of a restructured mortgage loan in conformance with the Accounting Practices and Procedures Manual adopted by the NAIC, will continue to qualify as a mortgage loan in accordance with the provisions of this chapter.

5. Subject to the limitations of sections 200, 201 and 202 of this act, credit lease transactions that do not qualify for investment pursuant to section 203 of this act are exempt from the provisions of subsections 1, 2 and 3 if they meet the following criteria:

(a) The loan amortizes over the initial fixed lease term at least in an amount sufficient so that the loan balance at the end of the lease term does not exceed the original appraised value of the real estate;

(b) The lease payments cover or exceed the total debt service over the life of the loan;

(c) A tenant or its affiliated entity whose rated credit instruments have an SVO 1 or 2 rating or a comparable rating from a nationally recognized statistical rating organization recognized by the SVO, has a full faith and credit obligation to make the lease payments;

(d) The insurer holds or is the beneficial holder of a first lien mortgage on the real estate;

(e) *The expenses of the real estate are passed through to the tenant excluding exterior, structural, parking and heating, ventilation and air conditioning replacement expenses, unless annual escrow contributions, from cash flows derived from the lease payments, cover the expense shortfall; and*

(f) *There is a perfected assignment of the rents due pursuant to the lease to, or for the benefit of, the insurer.*

Sec. 215. 1. *An insurer may acquire, manage and dispose of real estate situated in a domestic jurisdiction either directly or indirectly through limited partnership interests and general partnership interests not otherwise prohibited by paragraph (d) of subsection 1 of section 154 of this act, joint ventures, stock of an investment subsidiary or membership interests in a limited-liability company, trust certificates or other similar interests. The real estate must be income producing or intended for improvement or development for investment purposes under an existing program, in which case the real estate shall be deemed to be income producing.*

2. *The real estate may be subject to mortgages, liens or other encumbrances, the amount of which must, to the extent that the obligations secured by the mortgages, liens or encumbrances are without recourse to the insurer, be deducted from the amount of the investment of the insurer in the real estate for purposes of determining compliance with subsections 2 and 3 of section 217 of this act.*

Sec. 216. 1. *An insurer may acquire, manage and dispose of real estate for the convenient accommodation of the insurer's, and its affiliates, business operations, including home office, branch office and filed office operations.*

2. *Real estate acquired as described in this section may include excess space for rent to others, if the excess space, valued at its fair market value, would otherwise be an allowed investment in accordance with the provisions of section 215 of this act and is so qualified by the insurer.*

3. *The real estate acquired as described in this section may be subject to one or more mortgages, liens or other encumbrances, the amount of which must, to the extent that the obligations secured by the mortgages, liens or encumbrances are without recourse to the insurer, be deducted from the amount of the investment of the insurer in the real estate for purposes of determining compliance with subsection 4 of section 217 of this act.*

4. *For purposes of this section, business operations must not include that portion of real estate used for the direct provision of health care services by an insurer whose insurance premiums and required statutory reserves for accident and health insurance constitute at least 95 percent of total premium considerations or total statutory required reserves, respectively. An insurer may acquire real estate used for these purposes under section 215 of this act.*

Sec. 217. 1. *An insurer shall not acquire an investment in accordance with the provisions of section 214 of this act if, as a result of and after giving*

effect to the investment, the aggregate amount of all investments held by the insurer pursuant to that section would exceed:

(a) One percent of its admitted assets in mortgage loans covering any one secured location;

(b) One-quarter of one percent of its admitted assets in construction loans covering any one secured location; or

(c) One percent of its admitted assets in construction loans in the aggregate.

2. An insurer shall not acquire an investment under section 215 of this act if, as a result of and after giving effect to the investment and any outstanding guarantees made by the insurer in connection with the investment, the aggregate amount of investments held by the insurer under section 215 of this act plus the guarantees outstanding would exceed:

(a) One percent of its admitted assets in any one parcel or group of contiguous parcels of real estate, except that this limitation does not apply to that portion of real estate used for the direct provision of health care services by an insurer whose insurance premiums and required statutory reserves for accident and health insurance constitute at least 95 percent of total premium considerations or total statutory required reserves, respectively, including, without limitation, hospitals, medical clinics, medical professional buildings or other health facilities used for the purpose of providing health services; or

(b) The lesser of 10 percent of its admitted assets or 40 percent of its surplus as regards policyholders in the aggregate, except for an insurer whose insurance premiums and required statutory reserves for accident and health insurance constitute at least 95 percent of total premium considerations or total statutory required reserves, respectively, this limitation must be increased to 15 percent of its admitted assets in the aggregate.

3. An insurer shall not acquire an investment pursuant to sections 214 and 215 of this act if, as a result of and after giving effect to the investment and any guarantees it has made in connection with the investment, the aggregate amount of all investments held by the insurer in accordance with the provisions of those sections plus the guarantees outstanding would exceed 25 percent of the insurer's admitted assets.

4. The limitations of sections 200, 201 and 202 of this act do not apply to an insurer's acquisition of real estate under section 216 of this act. An insurer shall not acquire real estate under section 216 of this act if, as a result of and after giving effect to the acquisition, the aggregate amount of real estate held by the insurer in accordance with that section would exceed 10 percent of its admitted assets. With the permission of the Commissioner, additional amounts of real estate may be acquired under section 216 of this act.

Sec. 218. *An insurer may enter into securities lending, repurchase, reverse repurchase and dollar roll transactions with business entities, subject to the following requirements:*

1. *The insurer's board of directors shall adopt a written plan that is consistent with the requirements of the written plan in section 148 of this act which specifies the guidelines and objectives to be followed, including, without limitation:*

(a) *A description of how cash received will be invested or used for general corporate purposes of the insurer;*

(b) *Operational procedures to manage interest rate risk, counterparty default risk, the conditions under which proceeds from reverse repurchase transactions may be used in the ordinary course of business and the use of acceptable collateral in a manner that reflects the liquidity needs of the transaction; and*

(c) *The extent to which the insurer may engage in these transactions.*

2. *The insurer shall enter into a written agreement for all transactions authorized in this section other than dollar roll transactions. The written agreement must require that each transaction terminate not more than 1 year after its inception or upon the earlier demand of the insurer. The agreement must be with the business entity counterparty, but for securities lending transactions, the agreement may be with an agent acting on behalf of the insurer, if the agent is a qualified business entity and if the agreement:*

(a) *Requires the agent to enter into separate agreements with each counterparty that are consistent with the requirements of this section; and*

(b) *Prohibits securities lending transactions under the agreement with the agent or its affiliates.*

3. *Cash received in a transaction entered into as described in this section must be invested in accordance with the provisions of this chapter and in a manner that recognizes the liquidity needs of the transaction or used by the insurer for its general corporate purposes. For so long as the transaction remains outstanding, the insurer, its agent or custodian shall maintain, as to acceptable collateral received in a transaction entered into in accordance with this section, either physically or through the book entry systems of the Federal Reserve, the Depository Trust Company, the Participants Trust Company or any other securities depositories approved by the Commissioner:*

(a) *Possession of the acceptable collateral;*

(b) *A perfected security interest in the acceptable collateral; or*

(c) *In the case of a jurisdiction outside of the United States, title to, or rights of a secured creditor to, the acceptable collateral.*

4. *The limitations of sections 200, 201, 202 and 219 to 223, inclusive, of this act do not apply to the business entity counterparty exposure created by transactions entered into under this section. For purposes of calculations made to determine compliance with this subsection, no effect will be given to the insurer's future obligation to resell securities, in the case of a*

repurchase transaction, or to repurchase securities, in the case of a reverse repurchase transaction. An insurer shall not enter into a transaction under this section if, as a result of and after giving effect to the transaction:

(a) The aggregate amount of securities loaned, sold to or purchased from any one business entity counterparty under this section would exceed 5 percent of its admitted assets. In calculating the amount sold to or purchased from a business entity counterparty under repurchase or reverse repurchase transactions, effect may be given to netting provisions contained within a master written agreement.

(b) The aggregate amount of all securities loaned, sold to or purchased from all business entities under this section would exceed 40 percent of its admitted assets.

↪ The limitation in this subsection does not apply to reverse repurchase transactions for so long as the borrowing is used to meet operational liquidity requirements resulting from an officially declared catastrophe and subject to a plan approved by the Commissioner.

5. In a securities lending transaction, the insurer shall receive acceptable collateral having a market value on the transaction date, equal to 102 percent or more of the market value of the securities loaned by the insurer in the transaction on that date. If at any time the market value of the acceptable collateral is less than the market value of the loaned securities, the business entity counterparty is obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in connection with the transaction, equals 102 percent or more of the market value of the loaned securities.

6. In a reverse repurchase transaction, other than a dollar roll transaction, the insurer shall receive acceptable collateral having a market value on the transaction date equal to 95 percent or more of the market value of the securities transferred by the insurer in the transaction on that date. If at any time the market value of the acceptable collateral is less than 95 percent of the market value of the securities so transferred, the business entity counterparty is obligated to deliver additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in connection with the transaction, equals 95 percent or more of the market value of the transferred securities.

7. In a dollar roll transaction, the insurer shall receive cash in an amount equal to at least the market value of the securities transferred by the insurer in the transaction on the transaction date.

8. In a repurchase transaction, the insurer shall receive as acceptable collateral transferred securities having a market value equal to 102 percent or more of the purchase price paid by the insurer for the securities. If at any time the market value of the acceptable collateral is less than 100 percent of the purchase price paid by the insurer, the business entity counterparty is obligated to provide additional acceptable collateral, the market value of which, together with the market value of all acceptable collateral held in

connection with the transaction, equals 102 percent or more of the purchase price. Securities acquired by an insurer in a repurchase transaction must not be sold in a reverse repurchase transaction, loaned in a securities lending transaction or otherwise pledged.

9. To constitute acceptable collateral for the purposes of this section, a letter of credit must have an expiration date beyond the term of the subject transaction.

Sec. 219. Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire foreign investments, or engage in investment practices with persons of, or in, foreign jurisdictions, of substantially the same types as those that an insurer is allowed to acquire pursuant to this chapter, other than of the type allowed under section 204 of this act if, as a result of and after giving effect to the investment:

1. The aggregate amount of foreign investments held by the insurer in accordance with this section does not exceed 20 percent of its admitted assets; and

2. The aggregate amount of foreign investments held by the insurer in accordance with this section in a single foreign jurisdiction does not exceed 10 percent of its admitted assets as to a foreign jurisdiction that has a sovereign debt rating of SVO 1 or 5 percent of its admitted assets as to any other foreign jurisdiction.

Sec. 220. 1. Subject to the limitations of sections 200, 201 and 202 of this act, an insurer may acquire investments, or engage in investment practices denominated in foreign currencies, whether or not they are foreign investments acquired as described in section 219 of this act, or additional foreign currency exposure as a result of the termination or expiration of a hedging transaction with respect to investments denominated in a foreign currency if:

(a) The aggregate amount of investments held by the insurer in accordance with this section denominated in foreign currencies does not exceed 15 percent of its admitted assets; and

(b) The aggregate amount of investments held by the insurer in accordance with this section denominated in the foreign currency of a single foreign jurisdiction does not exceed 10 percent of its admitted assets as to a foreign jurisdiction that has a sovereign debt rating of SVO 1 or 5 percent of its admitted assets as to any other foreign jurisdiction.

2. An investment must not be considered denominated in a foreign currency if the acquiring insurer enters into one or more contracts in transactions allowed under sections 224 to 228, inclusive, of this act and the business entity counterparty agrees, in accordance with the contract or contracts, to exchange all payments made on the foreign currency denominated investment for United States currency at a rate which effectively insulates the investment cash flows against future changes in currency exchange rates during the period the contract or contracts are in effect.

Sec. 221. *In addition to investments allowed under sections 219 and 220 of this act, an insurer that is authorized to do business in a foreign jurisdiction, and that has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in that foreign jurisdiction and denominated in foreign currency of that jurisdiction, may acquire foreign investments respecting that foreign jurisdiction, and may acquire investments denominated in the currency of that jurisdiction, subject to the limitations of sections 200, 201 and 202 of this act. Investments made in accordance with this section in obligations of foreign governments, their political subdivisions and government-sponsored enterprises are not subject to the limitations of sections 200, 201 and 202 of this act if those investments carry an SVO rating of 1 or 2. The aggregate amount of investments acquired by the insurer in accordance with this section must not exceed the greater of:*

1. *The amount the insurer is required by law to invest in the foreign jurisdiction; or*

2. *One hundred twenty-five percent of the amount if the insurer's reserves, net of reinsurance and other obligations under the contracts.*

Sec. 222. *In addition to investments allowed under sections 219 and 220 of this act, an insurer that is not authorized to do business in a foreign jurisdiction but which has outstanding insurance, annuity or reinsurance contracts on lives or risks resident or located in a foreign jurisdiction and denominated in foreign currency of that jurisdiction, may acquire foreign investments respecting that foreign jurisdiction, and may acquire investments denominated in the currency of that jurisdiction subject to the limitations set forth in sections 200, 201 and 202 of this act. Investments made in accordance with this section in obligations of foreign governments, their political subdivisions and government-sponsored enterprises are not subject to the limitations of sections 200, 201 and 202 of this act if those investments carry an SVO rating of 1 or 2. The aggregate amount of investments acquired by the insurer in accordance with this section must not exceed 105 percent of the amount of the insurer's reserves, net of reinsurance, and other obligations under the contracts on risks resident or located in the foreign jurisdiction.*

Sec. 223. *Investments acquired in conformance with sections 219 to 223, inclusive, of this act must be aggregated with investments of the same types made under this chapter, and in a similar manner, for purposes of determining compliance with the limitations, if any, contained in this chapter. Investments in obligations of foreign governments, their political subdivisions and government-sponsored enterprises of these persons, except for those exempted in accordance with the provisions of sections 221 and 222 of this act, are subject to the limitations of sections 200, 201 and 202 of this act.*

Sec. 224. *An insurer may, directly or indirectly through an investment subsidiary, engage in derivative transactions as described in sections 224 to 228, inclusive, of this act pursuant to the following conditions:*

1. *An insurer may use derivative instruments under sections 224 to 228, inclusive, of this act to engage in hedging transactions and certain income generation transactions, as these terms may be further defined in regulations adopted by the Commissioner pursuant to section 158 of this act; and*

2. *An insurer must be able to demonstrate to the Commissioner the intended hedging characteristics and the ongoing effectiveness of the derivative transaction or combination of transactions through cash flow testing or other appropriate analyses.*

Sec. 225. *An insurer may enter into hedging transactions under sections 224 to 228, inclusive, of this act if, as a result of and after giving effect to the transaction:*

1. *The aggregate statement value of options, caps, floors and warrants not attached to another financial instrument purchased and used in hedging transactions does not exceed 7.5 percent of its admitted assets;*

2. *The aggregate statement value of options, caps and floors written in hedging transactions does not exceed 3 percent of its admitted assets; and*

3. *The aggregate potential exposure of collars, swaps, forwards and futures used in hedging transactions does not exceed 6.5 percent of its admitted assets.*

Sec. 226. *An insurer may only enter into the following types of income generation transactions if, as a result of and after giving effect to the transactions, the aggregate statement value of the fixed income assets that are subject to call plus the face value of fixed income securities underlying a derivative instrument subject to call, plus the amount of the purchase obligations under the puts, does not exceed 10 percent of its admitted assets:*

1. *Sales of covered call options on noncallable fixed income securities, callable fixed income securities if the option expires by its terms before the end of the noncallable period or derivative instruments based on fixed income securities;*

2. *Sales of covered call options on equity securities, if the insurer holds in its portfolio, or can immediately acquire through the exercise of options, warrants or conversion rights already owned, the equity securities subject to call during the complete term of the call option sold; or*

3. *Sales of covered puts on investments that the insurer is allowed to acquire pursuant to this chapter if the insurer has escrowed, or entered into a custodian agreement segregating, cash or cash equivalents with a market value equal to the amount of its purchase obligations under the put during the complete term of the put option sold.*

Sec. 227. *An insurer shall include all counterparty exposure amounts in determining compliance with the limitations of sections 200, 201 and 202 of this act.*

Sec. 228. In accordance with the regulations adopted pursuant to section 158 of this act, the Commissioner may approve additional transactions involving the use of derivative instruments in excess of the limits of section 225 of this act or for other risk-management purposes, but replication transactions must not be allowed for other than risk-management purposes.

Sec. 229. An insurer may acquire investments, or engage in investment practices, in accordance with the provisions of this section and section 230 of this act, of any kind that are not specifically prohibited by this chapter, or engage in investment practices, without regard to any limitation in sections 200 to 223, inclusive, of this act, but an insurer shall not acquire an investment or engage in an investment practice in accordance with the provisions of this section and section 230 of this act if, as a result of and after giving effect to the transaction, the aggregate amount of the investments held by the insurer in accordance with the provisions of this section and section 230 of this act would exceed the greater of:

- 1. Its unrestricted surplus; or*
- 2. The lesser of:*
 - (a) Ten percent of its admitted assets; or*
 - (b) Fifty percent of its surplus as regards policy holders.*

Sec. 230. An insurer shall not acquire any investment or engage in any investment practice in accordance with subsection 2 of section 229 of this act if, as a result of and after giving effect to the transaction, the aggregate amount of all investments in any one person held by the insurer in accordance with subsection 1 of section 229 would exceed 5 percent of its admitted assets.

Sec. 231. NRS 682A.020 is hereby amended to read as follows:

682A.020 ~~[1.]~~ Insurers may **acquire, hold or** invest in ~~for lend their funds on the security of, and may hold as invested assets, only eligible investments as prescribed in this chapter.~~

~~—2.— Any particular investment held by an insurer on January 1, 1972, which was a legal investment at the time it was made, and which the insurer was legally entitled to possess immediately before January 1, 1972, shall be deemed to be an eligible investment.~~

~~—3.— Any particular investment held by a successor organization to the State Industrial Insurance System that was established by section 79 of chapter 642, Statutes of Nevada 1981, at page 1449, which was a legal investment of the System made before January 1, 2000, and which the successor organization is legally entitled to possess on or after January 1, 2000, shall be deemed to be an eligible investment of the successor organization.~~

~~—4.— Eligibility of an investment must be determined as of the date of its making or acquisition, except as stated in subsections 2 and 3.~~

~~—5.— Any investment limitation based upon the amount of the insurer's assets or particular funds must relate to such assets or funds as shown by the insurer's annual statement as of December 31 next preceding the date of acquisition of~~

~~the investment by the insurer, or as shown by a current financial statement resulting from merger of another insurer, bulk reinsurance or change in capitalization.~~

~~6. No insurer may pay any commission or brokerage for the purchase or sale of property in excess of that usual and customary at the time and in the locality where such purchases or sales are made, and complete information regarding all payments of commission and brokerage must be reported in the next annual statement.~~ **investments or engage in investment practices as set forth in this chapter. Investments not conforming to the provisions of this chapter are not admitted assets.**

Sec. 232. NRS 682B.130 is hereby amended to read as follows:

682B.130 1. An alien insurer may use Nevada as a state of entry to transact insurance in the United States of America by making and maintaining in this state a deposit of assets in trust with a bank, credit union or trust company approved by the Commissioner.

2. The deposit, together with other trust deposits of the insurer held in the United States of America for the same purpose, must be in an amount not less than as required of an alien insurer under NRS 680A.140, deposit requirement in general, and must consist of United States money, public obligations of the government or states or political subdivisions of the United States of America, and obligations of corporations and institutions in the United States of America, all as eligible for the investment of money of domestic insurers under ~~[NRS 682A.060, 682A.070 and 682A.080.]~~ **sections 159 to 193, inclusive, of this act.**

3. Such a deposit may be referred to as “trusteed assets.”

Sec. 233. NRS 683A.08528 is hereby amended to read as follows:

683A.08528 1. Not later than ~~July 1 of each year,~~ **90 days after the expiration of the fiscal year of the administrator, or within such other period as the Commissioner may allow**, each holder of a certificate of registration as an administrator shall file with the Commissioner an annual report for ~~the most recently completed~~ **that** fiscal year. ~~[of the administrator.]~~ Each annual report must be verified by at least two officers of the administrator.

2. Each annual report filed pursuant to this section must include all the following:

(a) A financial statement of the administrator that has been reviewed by an independent certified public accountant.

(b) The complete name and address of each person, if any, for whom the administrator agreed to act as an administrator during the ~~most recently completed~~ fiscal year. ~~[of the administrator.]~~

(c) **A statement regarding the total money handled by the administrator on behalf of contracted entities in connection with his or her activities as an administrator. The statement must be on a form prescribed or approved by the Commissioner for the purpose of calculating the amount of the bond required by NRS 683A.0857.**

(d) Any other information required by the Commissioner.

3. ~~In~~ **Except as otherwise provided in subsection 4, in** addition to the information required pursuant to subsection 2, if an annual report is prepared on a consolidated basis, the annual report must include ~~fa columnar or combining worksheet~~ **supplemental exhibits** that:

(a) ~~Includes the amounts shown on the consolidated financial statement accompanying the annual report;~~ **Have been reviewed by an independent certified public accountant; and**

(b) ~~Separately sets forth the amounts for each entity included in the worksheet; and~~

~~(c) Includes an explanation of each consolidating and eliminating entry included in the worksheet.~~ **Include a balance sheet and income statement for each holder of a certificate of registration as an administrator in this State.**

4. **In lieu of complying with the requirements set forth in paragraphs (a) and (b) of subsection 3, an administrator who is a wholly owned subsidiary of a parent company** ~~and who does not hold a certificate of registration in this State~~ **may submit to the Commissioner:**

(a) **The financial statement of the parent company that has been audited by an independent certified public accountant; and**

(b) **A parental guaranty that is signed by an officer of the parent company and which guarantees the financial solvency of the administrator.**

5. Each administrator who files an annual report pursuant to this section shall, at the time of filing the annual report, pay a filing fee in an amount determined by the Commissioner.

~~5.~~ **6.** The Commissioner shall, for each administrator, review the annual report that is most recently filed by the administrator. As soon as practicable after reviewing the report, the Commissioner shall:

(a) Issue a certificate to the administrator:

(1) Indicating that, based on the annual report and accompanying financial statement, the administrator has a positive net worth and is currently licensed and in good standing in this State; or

(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement; or

(b) Submit a statement to any electronic database maintained by the National Association of Insurance Commissioners or any affiliate or subsidiary of the Association:

(1) Indicating that, based on the annual report and accompanying financial statement, the administrator has a positive net worth and is in compliance with existing law; or

(2) Setting forth any deficiency found by the Commissioner in the annual report and accompanying financial statement.

Sec. 234. NRS 683A.251 is hereby amended to read as follows:

683A.251 1. The Commissioner shall prescribe the form of application by a natural person for a license as a resident producer of insurance. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true,

correct and complete to the best of his or her knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

- (a) Attained the age of 18 years;
- (b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license;
- (c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;
- (d) Paid all applicable fees prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded; and
- (e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

2. A business organization must be licensed as a producer of insurance in order to act as such. Application must be made on a form prescribed by the Commissioner. Before approving the application, the Commissioner must find that the applicant has:

- (a) Paid all applicable fees prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of which may be refunded;
- (b) Designated a natural person who is licensed as a producer of insurance and who is authorized to transact business on behalf of the business organization to be responsible for the organization's compliance with the laws and regulations of this State relating to insurance; ~~and~~
- (c) If the business organization has authorized a producer of insurance not designated pursuant to paragraph (b) to transact business on behalf of the business organization, submitted to the Commissioner on a form prescribed by the Commissioner the name of each producer of insurance authorized to transact business on behalf of the business organization ~~and~~; **and**

(d) Established and maintains a valid electronic mail address at the applicant's own expense.

3. A natural person who is a resident of this State applying for a license must, as part of his or her application and at the applicant's own expense:

- (a) Arrange to have a complete set of his or her fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Commissioner; ~~and~~

(b) Submit to the Commissioner:

(1) A completed fingerprint card and written permission authorizing the Commissioner to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; or

(2) Written verification, on a form prescribed by the Commissioner, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other

authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary ~~}; and~~

(c) Establish and maintain a valid electronic mail address.

4. The Commissioner may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 3, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Commissioner deems necessary;

(b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and

(c) Adopt regulations concerning the procedures for obtaining this information.

5. The Commissioner may require any document reasonably necessary to verify information contained in an application.

Sec. 235. NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability income.

(b) Accident and health insurance for sickness, bodily injury or accidental death, which may include benefits for disability income.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property. For the purposes of a producer of insurance, this line of insurance includes surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(e) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(f) Credit insurance, including credit life, credit accident and health, credit property, credit involuntary unemployment, guaranteed asset protection, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(g) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(h) Fixed annuities, including, without limitation, indexed annuities, as a limited line.

(i) Travel and baggage as a limited line.

(j) Rental car agency as a limited line.

(k) Portable electronics as a limited line.

(l) Crop as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, all applicable fees for renewal and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit a request for a renewal of his or her license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of all applicable renewal fees, except for any fee required pursuant to NRS 680C.110. A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his or her license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

6. A licensee shall inform the Commissioner of each change of business , ~~for~~ residence **or electronic mail** address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes his or her business , ~~for~~ residence **or electronic mail** address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, the Commissioner may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his or her last mailing address appearing on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

Sec. 236. NRS 683A.271 is hereby amended to read as follows:

683A.271 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a nonresident person if the nonresident person:

(a) Is currently licensed as a resident and in good standing in his or her home state;

(b) Has made the proper request for licensure and paid all applicable fees prescribed for the license and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;

(c) Has sent to the Commissioner the application for licensure that the nonresident person made in his or her home state, or a completed uniform application; ~~and~~

(d) Has a home state which issues nonresident licenses as producers of insurance to residents of this State pursuant to substantially the same procedure ~~for~~; **and**

(e) Establishes and maintains a valid electronic mail address at the applicant's own expense.

2. The Commissioner may participate with the National Association of Insurance Commissioners or a subsidiary in a centralized registry in which licensing and appointment of producers of insurance may be effected for all states that require licensing and participate in the registry. If the Commissioner finds that participation is in the public interest, the Commissioner may adopt by regulation any uniform standards and procedures necessary for participation, including central collection of fees for licensing and appointment that are handled through the registry.

3. A nonresident producer who moves from one state to another state shall file a change of address and certification from the new state of residence within 30 days after the change of legal residence. No fee or application for license is required.

4. A nonresident licensed as a producer for surplus lines in his or her home state must be issued a nonresident license of that kind in this State pursuant to subsection 1, subject in all other respects to chapter 685A of NRS. A nonresident licensed as a producer for limited lines in his or her home state is entitled to a nonresident license of that kind in this State pursuant to subsection 1, granting the same scope of authority as the license issued in the home state.

As used in this subsection, insurance for limited lines is authority granted by the home state which is restricted to less than the total authority prescribed for the associated major lines pursuant to NRS 683A.261.

5. A nonresident firm or corporation maintaining a physical business location in this State shall notify the Commissioner of each physical location in this State from which it transacts business. A nonresident firm or corporation shall maintain a list identifying the locations outside this State from which it transacts business and provide the list to the Commissioner upon request.

Sec. 237. NRS 683A.378 is hereby amended to read as follows:

683A.378 1. A person shall not conduct utilization review unless the person is:

(a) Registered with the Commissioner as an agent who performs utilization review and has a medical director who is a physician or, in the case of an agent who reviews dental services, a dentist, licensed in any state; or

(b) Employed by a registered agent who performs utilization review.

2. A person may apply for registration by filing with the Commissioner a \$250 fee and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 and the following information on a form provided by the Commissioner:

(a) The applicant's name, address, telephone number, **valid electronic mail address** and normal business hours;

(b) The name and telephone number of a person the Commissioner may contact for information concerning the applicant;

(c) The name of the medical director of the applicant and the state in which he or she is licensed to practice medicine or dentistry; and

(d) A summary of the plan for utilization review, including procedures for appealing determinations made through utilization review.

3. An agent who performs utilization review shall file with the Commissioner any material changes in the information provided pursuant to subsection 1 within 30 days after the change occurs.

4. The Commissioner shall not evaluate the plan submitted pursuant to paragraph (d) of subsection 2. The Commissioner shall make the plan available upon request and shall charge a reasonable fee for providing a copy of the plan.

5. Registration pursuant to this section must be renewed on or before March 1 of each year by providing the information specified in subsection 2 and paying a renewal fee of \$250 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

Sec. 238. NRS 683A.451 is hereby amended to read as follows:

683A.451 The Commissioner may refuse to issue a license or certificate pursuant to this chapter or may place any person to whom a license or certificate is issued pursuant to this chapter on probation, suspend the person for not more than 12 months, or revoke or refuse to renew his or her license or certificate, or may impose an administrative fine or take any combination of the foregoing actions, for one or more of the following causes:

1. Providing incorrect, misleading, incomplete or partially untrue information in his or her application for a license.

2. Violating a law regulating insurance, or violating a regulation, order or subpoena of the Commissioner or an equivalent officer of another state.

3. Obtaining or attempting to obtain a license through misrepresentation or fraud.

4. Misappropriating, converting or improperly withholding money or property received in the course of the business of insurance.

5. Intentionally misrepresenting the terms of an actual or proposed contract of or application for insurance.

6. Conviction of a felony ~~[-]~~ **or a crime which involves theft, fraud, dishonesty or moral turpitude.**

7. Admitting or being found to have committed an unfair trade practice or fraud.

8. Using fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business, **or otherwise**, in this State or elsewhere.

9. Denial, suspension or revocation of a license as a producer of insurance, or its equivalent, in any other state, territory or province.

10. Forging another's name to an application for insurance or any other document relating to the transaction of insurance.

11. Improperly using notes or other reference material to complete an examination for a license related to insurance.

12. Knowingly accepting business related to insurance from an unlicensed person.

13. Failing to comply with an administrative or judicial order imposing an obligation of child support.

14. Failing to pay a tax as required ~~[pursuant to the provisions of chapter 363A of NRS.]~~ **by law.**

Sec. 239. NRS 686B.080 is hereby amended to read as follows:

686B.080 1. Except as otherwise provided in subsections 2 ~~and 3,~~ **to 5, inclusive**, each filing and any supporting information filed under NRS 686B.010 to 686B.1799, inclusive, must, as soon as filed, be open to public inspection at any reasonable time. Copies may be obtained by any person on request and upon payment of a reasonable charge therefor.

2. All ~~[approved]~~ rates for health benefit plans available for purchase by individuals **and small employers** are considered proprietary and ~~[to]~~ constitute trade secrets, and are not subject to disclosure by the Commissioner to persons outside the Division except as agreed to by the carrier or as ordered by a court of competent jurisdiction.

3. The provisions of subsection 2 expire annually on the date 30 days before open enrollment.

4. **Except in cases of violations of NRS 689A.010 to 689A.740, inclusive, or 689C.015 to 689C.355, inclusive, the unified rate review template and rate filing documentation used by carriers servicing the individual and small**

employer markets are considered proprietary and constitute a trade secret, and are not subject to disclosure by the Commissioner to persons outside the Division except as agreed to by the carrier or as ordered by a court of competent jurisdiction.

5. *An insurer providing blanket health insurance in accordance with the provisions of chapter 689B of NRS shall make all information concerning rates available to the Commissioner upon request. Such information is considered proprietary and constitutes a trade secret and is not subject to disclosure by the Commissioner to persons outside the Division except as agreed by the insurer or as ordered by a court of competent jurisdiction.*

6. For the purposes of this section ~~[-“open”]~~:

(a) *“Open enrollment”* has the meaning ascribed to it in 45 C.F.R. § 147.104(b)(1)(ii).

(b) *“Rate filing documentation” and “unified rate review template” have the meanings ascribed to them in 45 C.F.R. § 154.215.*

Sec. 240. Chapter 686C of NRS is hereby amended by adding thereto the provisions set forth as sections 241 to 246, inclusive, of this act.

Sec. 241. 1. *At any time within 180 days after the date of an order of liquidation, the Association may elect to succeed to the rights and obligations of the ceding member insurer that relate to policies or annuities covered, in whole or in part, by the Association, in each case under any one or more reinsurance contracts entered into by the insolvent insurer and its reinsurers and selected by the Association. Any such assumption must be effective on the date of the order of liquidation. The election must be carried out by the Association sending written notice, return receipt requested, to the affected reinsurers.*

2. *To facilitate the earliest practicable decision about whether to assume any of the contracts of reinsurance, and to protect the financial position of the estate, the receiver and each reinsurer of the ceding insurer shall make available upon request to the Association as soon as possible after commencement of formal delinquency proceedings:*

(a) *Copies of in-force contracts of reinsurance and all related files and records relevant to the determination of whether such contracts should be assumed; and*

(b) *Notices of any defaults under the reinsurance contracts or any known event or condition which with the passage of time could become a default under the reinsurance contracts.*

3. *The following apply to reinsurance contracts assumed by the Association:*

(a) *The Association is responsible for all unpaid premiums due pursuant to the reinsurance contracts for periods both before and after the date of the order of liquidation, and is responsible for the performance of all other obligations to be performed after the date of the order of liquidation, in each case which relates to policies or annuities covered, in whole or in part, by the Association. The Association may charge policies or annuities covered*

in part by the Association, through reasonable allocation methods, the costs for reinsurance in excess of the obligations of the Association and shall provide notice and an accounting of these changes to the liquidator.

(b) The Association may be entitled to any amounts payable by the reinsurer pursuant to the reinsurance contracts with respect to losses or events that occur in periods after the date of the order of liquidation and which relate to policies or annuities covered, in whole or in part, by the Association, provided that, upon receipt of any such amounts, the Association is obligated to pay to the beneficiary, under the policy or annuity on account of which the amounts were paid, a portion of the amount equal to the lesser of:

(1) The amount received by the Association; or

(2) The excess of the amount received by the Association over the amount equal to the benefits paid by the Association on account of the policy or annuity, less the retention of the insurer applicable to the loss or event.

(c) Within 30 days after the Association's election, the Association and each reinsurer under the contracts assumed by the Association shall calculate the net balance due to or from the Association pursuant to each reinsurance contract on the election date with respect to policies or annuities covered, in whole or in part, by the Association, which calculation must give full credit to all items paid by either the insurer or its receiver or the reinsurer before the election date. The reinsurer shall pay the receiver any amounts due for losses or events before the date of the order of liquidation, subject to any set-off for premiums unpaid for periods before the date, and the Association or reinsurer shall pay any remaining balance due to the other, in each case within 5 days after the completion of the aforementioned calculation. Any disputes over the amounts due to either the Association or the reinsurer must be resolved by arbitration pursuant to the terms of the affected reinsurance contracts or, if the contracts contain no arbitration clause, as otherwise prescribed by law. If the receiver has received any amounts due to the Association under paragraph (d), the receiver shall remit the same to the Association as promptly as practicable.

(d) If the Association or receiver, on the Association's behalf, within 60 days after the election date, pays the unpaid premiums due for periods both before and after the election date that relate to policies or annuities covered, in whole or in part, by the Association, the reinsurer is not entitled to terminate the reinsurance contracts for failure to pay premiums insofar as the reinsurance contracts relate to policies or annuities covered, in whole or in part, by the Association, and is not entitled to set off any unpaid amounts due pursuant to the other contracts, or unpaid amounts due from parties other than the Association, against amounts due to the Association.

Sec. 242. 1. *During the period after the date of an order of liquidation until the election date, or, if the election date does not occur, until 180 days after the date of the order of liquidation:*

(a) *Neither the Association nor the reinsurer shall have any rights or obligations under reinsurance contracts that the Association has the right to assume under section 241 of this act, whether for periods before or after the date of the order of liquidation.*

(b) *The reinsurer, the receiver and the Association shall, to the extent practicable, provide each other data and records as reasonably requested.*

2. *Once the Association has elected to assume a reinsurance contract, the parties' rights and obligations are governed by the provisions of section 241 of this act.*

Sec. 243. *If the Association does not elect to assume a reinsurance contract by the election date under section 241 of this act, the Association has no rights or obligations, in each case for periods both before and after the date of the order of liquidation, with respect to the reinsurance contract.*

Sec. 244. *When policies or annuities, or covered obligations with respect thereto, are transferred to an assuming insurer, reinsurance on the policies or annuities may also be transferred by the Association, in the case of contracts assumed under section 241 of this act, subject to the following:*

1. *Unless the reinsurer and the assuming insurer agree otherwise, the reinsurance contract transferred must not cover any new policies of insurance or annuities in addition to those transferred.*

2. *The obligations described in section 241 of this act no longer apply with respect to matters arising after the effective date of the transfer.*

3. *Notice must be given in writing, return receipt requested, by the transferring party to the affected reinsurer not less than 30 days before the effective date of the transfer.*

Sec. 245. *The provisions of sections 241 to 246, inclusive, of this act supersede the provisions of any state law or of any affected reinsurance contract that provides for or requires any payment of reinsurance proceeds, on account of losses or events that occur in periods after the date of an order of liquidation, to the receiver of the insolvent insurer or any other person. The receiver shall remain entitled to any amounts payable by the reinsurer pursuant to the reinsurance contracts with respect to losses or events that occur in periods before the date of the order of liquidation, subject to applicable set-off provisions.*

Sec. 246. 1. *Except as otherwise provided in NRS 686C.130 to 686C.226, inclusive, nothing in sections 241 to 246, inclusive, of this act shall alter or modify the terms and conditions of any reinsurance contract.*

2. *Nothing in this section shall:*

(a) *Abrogate or limit any rights of any reinsurer to claim that it is entitled to rescind a reinsurance contract;*

(b) *Give a policyholder or beneficiary an independent cause of action against a reinsurer that is not otherwise set forth in the reinsurance contract;*

(c) *Limit or affect the Association's rights as a creditor of the estate against the assets of the estate; or*

(d) *Apply to reinsurance agreements covering property or casualty risks.*

Sec. 247. NRS 686C.030 is hereby amended to read as follows:

686C.030 1. This chapter provides coverage for the policies or contracts described in subsection 4 to persons who are:

(a) Owners of or certificate holders under such policies or contracts, other than structured settlement annuities, and who:

(1) Are residents of this state; or

(2) Are not residents, but only if:

(I) The insurer that issued the policies or contracts is domiciled in this state;

(II) The states in which the persons reside have associations similar to the Association created by this chapter; and

(III) The persons are not eligible for coverage by an association in another state because the insurer was not authorized in the other state at the time specified in that state's law governing guaranty associations; and

(b) Beneficiaries, assignees or payees of the persons covered under paragraph (a), wherever they reside, except for nonresident certificate holders under group policies or contracts.

2. For structured settlement annuities, except as otherwise provided in subsection 3, this chapter provides coverage to a payee under the annuity, or beneficiary of a payee if the payee is deceased, if the payee or beneficiary:

(a) Is a resident of this state, regardless of the residence of the owner of the annuity; or

(b) Is not a resident of this state, but:

(1) The owner of the annuity is a resident of this state, or the issuer of the annuity is domiciled in this state and the state in which the owner resides has an association similar to the Association created by this chapter; and

(2) Neither the payee or beneficiary nor the owner of the annuity is eligible for coverage by the association of the state in which the payee, beneficiary or owner resides.

3. This chapter does not provide coverage for a payee or beneficiary of a structured settlement annuity if the owner of the annuity is a resident of this state and the payee or beneficiary is afforded any coverage by the association of another state. In determining the application of the provisions of this chapter to a situation where a person could be covered by the association of more than one state, this chapter must be construed in conjunction with the laws of other states to result in coverage by only one association.

4. This chapter provides coverage to the persons described in subsections 1 and 2 for direct, nongroup life, health and ~~supplemental~~ **annuity** policies or contracts, ~~and annuities, and~~ **for** certificates under direct group policies and contracts, and ~~annuities,~~ **for supplemental contracts to any of these, in each case issued by member insurers,** except as limited by this chapter.

Sec. 248. NRS 686C.090 is hereby amended to read as follows:

686C.090 "Impaired insurer" means ~~an~~ **a member** insurer which is not an insolvent insurer and is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Sec. 249. NRS 686C.095 is hereby amended to read as follows:

686C.095 “Insolvent insurer” means ~~an~~ **a member** insurer which is ordered to liquidate by a court of competent jurisdiction after a finding of insolvency.

Sec. 250. (Deleted by amendment.)

Sec. 251. NRS 686C.110 is hereby amended to read as follows:

686C.110 “Premiums” means amounts received in any calendar year on covered policies or contracts less premiums, considerations and deposits returned thereon, and less dividends and credits for experience thereon. The term does not include:

1. Any amounts received for policies or contracts or for the portions of policies or contracts for which coverage is not provided under NRS 686C.030 except that the assessable premium is not reduced on account of paragraph (c) of subsection 1 of NRS 686C.035 relating to limitations on interest and subsection 2 or paragraph (b) of subsection 1 of NRS 686C.210 relating to limitations with respect to any one life.

2. Premiums for an unallocated annuity contract ~~+~~, ***except those issued in accordance with the provisions of a governmental retirement plan, established under section 401, 403(b) or 457 of the Internal Revenue Code, 26 U.S.C. §§ 401, 403(b) and 457, respectively, or the trustees of such a plan.***

3. Premiums that exceed \$5,000,000 for several nongroup policies of life insurance owned by one owner, regardless of:

- (a) Whether the owner is a natural person, firm, corporation or other person;
- (b) Whether any person insured under the policies is an officer, manager, employee or other person; or
- (c) The number of policies or contracts held by the owner.

Sec. 252. NRS 686C.120 is hereby amended to read as follows:

686C.120 “Resident” means any person to whom a contractual obligation is owed and who resides in this state on the date of entry of a court order that determines a member insurer to be impaired or insolvent . ~~+~~ ~~which ever determination is first made.~~ A person may be a resident of but one state, which in the case of a person other than a natural person is its principal place of business. A citizen of the United States who is a resident of a foreign country or of a territory or insular possession subject to the jurisdiction of the United States which does not have an association similar to the Association created by this chapter shall be deemed to be a resident of the state of domicile of the insurer that issued the policy or contract.

Sec. 253. NRS 686C.240 is hereby amended to read as follows:

686C.240 1. The Board of Directors of the Association shall determine the amount of each assessment in Class A and may, but need not, prorate it. If an assessment is prorated, the Board may provide that any surplus be credited against future assessments in Class B. An assessment which is not prorated must not exceed ~~+\$300~~ **\$500** for each member insurer for any 1 calendar year.

2. The Board may allocate any assessment in Class B among the accounts according to the premiums or reserves of the impaired or insolvent insurer or

any other standard which it considers fair and reasonable under the circumstances.

3. Assessments in Class B against member insurers for each account and subaccount must be in the proportion that the premiums received on business in this State by each assessed member insurer on policies or contracts covered by each account or subaccount for the 3 most recent calendar years for which information is available preceding the year in which the insurer became impaired or insolvent bears to premiums received on business in this State for those calendar years by all assessed member insurers.

4. Assessments for money to meet the requirements of the Association with respect to an impaired or insolvent insurer must not be authorized or called until necessary to carry out the purposes of this chapter. Classification of assessments under subsection 2 of NRS 686C.230 and computation of assessments under this section must be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible. The Association shall notify each member insurer of its anticipated prorated share of an assessment authorized but not yet called within 180 days after it is authorized.

Sec. 254. Chapter 687A of NRS is hereby amended by adding thereto a new section to read as follows:

“Assumed claims transaction” includes:

1. A policy obligation that has been assumed by an insolvent insurer, before the entry of a final order of liquidation, through a merger between the insolvent insurer and another entity obligated under the policy.

2. An assumption reinsurance transaction in which:

(a) The insolvent insurer assumed, before the entry of a final order of liquidation, the claim or policy obligations of another insurer or entity obligated under a claim or policy;

(b) The assumption of the claim or policy obligations has been approved by the Commissioner, if such approval is required; and

(c) As a result of the assumption, the claim or policy obligation became the direct obligation of the insolvent insurer through a novation of the claim or policy.

Sec. 255. NRS 687A.030 is hereby amended to read as follows:

687A.030 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 687A.031 to 687A.039, inclusive, **and section 254 of this act** have the meanings ascribed to them in those sections.

Sec. 256. NRS 687A.033 is hereby amended to read as follows:

687A.033 1. “Covered claim” means an unpaid claim or judgment, including a claim for unearned premiums, which arises out of and is within the coverage of an insurance policy to which this chapter applies ~~issued by an insurer which~~ **if the insurer becomes an insolvent insurer, ~~if~~ the policy was issued by the insurer or assumed by the insurer in an assumed claims transaction, and** one of the following conditions exists:

(a) The claimant or insured, if a natural person, is a resident of this State at the time of the insured event.

(b) The claimant or insured, if other than a natural person, maintains its principal place of business in this State at the time of the insured event.

(c) The property from which the first party property damage claim arises is permanently located in this State.

(d) The claim is not a covered claim pursuant to the laws of any other state and the premium tax imposed on the insurance policy is payable in this State pursuant to NRS 680B.027.

2. The term does not include:

(a) An amount that is directly or indirectly due a reinsurer, insurer, insurance pool or underwriting association, as recovered by subrogation, indemnity or contribution, or otherwise.

(b) That part of a loss which would not be payable because of a provision for a deductible or a self-insured retention specified in the policy.

(c) Except as otherwise provided in this paragraph, any claim filed with the Association:

(1) More than 18 months after the date of the order of liquidation; or

(2) After the final date set by the court for the filing of claims against the liquidator or receiver of the insolvent insurer,

➔ whichever is earlier. The provisions of this paragraph do not apply to a claim for workers' compensation that is reopened pursuant to the provisions of NRS 616C.390 or 616C.392.

(d) A claim filed with the Association for a loss that is incurred but is not reported to the Association before the expiration of the period specified in subparagraph (1) or (2) of paragraph (c).

(e) An obligation to make a supplementary payment for adjustment or attorney's fees and expenses, court costs or interest and bond premiums incurred by the insolvent insurer before the appointment of a liquidator, unless the expenses would also be a valid claim against the insured.

(f) A first party or third party claim brought by or against an insured, if the aggregate net worth of the insured and any affiliate of the insured, as determined on a consolidated basis, is more than \$25,000,000 on December 31 of the year immediately preceding the date the insurer becomes an insolvent insurer. The provisions of this paragraph do not apply to a claim for workers' compensation. As used in this paragraph, "affiliate" means a person who directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For the purpose of this definition, the terms "owns," "is owned" and "ownership" mean ownership of an equity interest, or the equivalent thereof, of 10 percent or more.

Sec. 257. NRS 687B.420 is hereby amended to read as follows:

687B.420 ~~{An}~~

1. An insurer shall not cancel, fail to renew or renew with altered terms a policy or contract issued pursuant to chapter 688B, 689A, 689B, 689C, 695A, 695B, 695C, 695D or 695F of NRS unless notice in writing of the proposal is

given to the insured at least 60 days before the date the proposed action becomes effective. The notice must include, without limitation, any changes in specific rates by line of coverage.

2. An insurer shall not cancel, fail to renew or renew with altered terms an individual health benefit plan that is not grandfathered pursuant to applicable law unless notice in writing of the proposal is given to the insured at least 30 days before the beginning of the open enrollment period described in NRS 686B.080. The notice must include the specific changes in terms or rates, as applicable.

Sec. 258. NRS 688A.305 is hereby amended to read as follows:

688A.305 1. This section applies to all policies issued on or after January 1, 1987. Any cash surrender value available under the policy in the event of default in a premium payment due on any policy anniversary must be in an amount which does not differ by more than two-tenths of 1 percent of the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years, from the sum of:

(a) The greater of zero and the basic cash value specified in this section; and

(b) The present value of any existing paid-up additions less the amount of any indebtedness to the ~~insurer,~~ **company** under the policy.

2. The basic cash value must be equal to the present value, on the anniversary, of the future guaranteed benefits which would have been provided by the policy, excluding any existing paid-up additions and before deduction of any indebtedness to the ~~insurer,~~ **company**, if there had been no default, less the present value of the nonforfeiture factors, ~~corresponding to premiums which would have fallen due on and after the anniversary,~~ **as defined in NRS 688A.290 to 688A.360, inclusive.** The effects on the basic cash value of supplemental life insurance or annuity benefits or of family coverage, as described in **this section or** NRS 688A.300 or 688A.320, whichever is applicable, must be the same as the effects specified in **this section or** NRS 688A.300 or 688A.320, on the cash surrender values defined in ~~that~~ **the applicable** section.

3. The nonforfeiture factor for each policy year must be an amount equal to a percentage of the adjusted premium for the policy year, as defined in NRS 688A.320 or 688A.325, whichever is applicable. Except as is required in this subsection, the percentage must be:

(a) The same for each policy year between the second policy anniversary and the later of:

(1) The fifth policy anniversary; and

(2) The first policy anniversary at which there is available under the policy a cash surrender value in an amount, before including any paid-up additions and before deducting any indebtedness, of at least two-tenths of 1 percent of the amount of insurance, if the insurance is uniform in amount, or

the average amount of insurance at the beginning of each of the first 10 policy years; and

(b) Such that no percentage after the later of the two policy anniversaries specified in paragraph (a) may apply to fewer than 5 consecutive policy years. ➡ No basic cash value may be less than the value which would be obtained if the adjusted premiums for the policy, as defined in NRS 688A.320 or 688A.325, whichever is applicable, were substituted for the nonforfeiture factors in the calculation of the basic cash value.

4. All adjusted premiums and present values referred to in this section for a particular policy must be calculated on the same mortality and interest bases as are used in demonstrating the policy's compliance with NRS 688A.290 to 688A.360, inclusive. The cash surrender values referred to in this section must include any endowment benefits provided for by the policy.

5. Any cash surrender value available other than in the event of default in a premium payment due on a policy anniversary, and the amount of any paid-up nonforfeiture benefit available under the policy in the event of default in a premium payment must be determined by methods consistent with those specified for determining the analogous minimum amounts in NRS 688A.290, 688A.300, **688A.310**, 688A.325 and 688A.350. The amounts of any cash surrender values and of any paid-up nonforfeiture benefits granted in connection with additional benefits such as those listed in paragraphs (a) to (f), inclusive, of subsection 4 of NRS 688A.350, must conform with the principles of this section.

Sec. 259. (Deleted by amendment.)

Sec. 259.5. NRS 688A.325 is hereby amended to read as follows:

688A.325 1. This section applies to all policies issued by an insurer on or after the operative date of this section as it relates to that insurer. Except as otherwise provided in subsection 7, the adjusted premiums for any policy must be calculated on an annual basis and be the uniform percentage of the respective premium specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments or special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits. The present value, at the date of issue of the policy, of all adjusted premiums must be equal to the sum of:

(a) The value of the future guaranteed benefits provided for by the policy;
(b) One percent of the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years; and

(c) One hundred twenty-five percent of the nonforfeiture net level premium. In applying the percentage specified in paragraph (c), no nonforfeiture net level premium may be deemed to exceed 4 percent of the amount of insurance, if the insurance is uniform in amount, or the average amount of insurance at the beginning of each of the first 10 policy years. The date of issue of a policy

for the purpose of this section must be the date as of which the rated age of the insured is determined.

2. The nonforfeiture net level premium must be equal to the present value, at the date of issue of the policy, of the guaranteed benefits provided for by the policy divided by the present value, at the date of issue of the policy, of an annuity of one per annum payable on the date of issue of the policy and on each anniversary of the policy on which a premium falls due.

3. In the case of policies which cause unscheduled changes in benefits or premiums on a basis guaranteed in the policy, or which provide an option for changes in benefits or premiums other than a change to a new policy, the adjusted premiums and present values must initially be calculated on the assumption that future benefits and premiums do not change from those stipulated at the date of issue of the policy. At the time of any change in the benefits or premiums, the future adjusted premiums, nonforfeiture net level premiums and present values must be recalculated on the assumption that future benefits and premiums do not change from those stipulated by the policy immediately after the change.

4. Except as otherwise provided in subsection 7, the recalculated future adjusted premiums for any such policy must be a uniform percentage of the respective future premiums specified in the policy for each policy year, excluding amounts payable as extra premiums to cover impairments and special hazards and any uniform annual contract charge or policy fee specified in the policy in a statement of the method to be used in calculating the cash surrender values and paid-up nonforfeiture benefits, which results in the present value, at the time of change to the newly defined benefits or premiums, of all future adjusted premiums being equal to the excess of the sum of the present value of the future guaranteed benefits provided for by the policy and the additional expense allowance, if any, over the cash surrender value, if any, or present value of any paid-up nonforfeiture benefit under the policy.

5. The additional expense allowance, at the time of the change to the newly defined benefits or premiums, must be the sum of:

(a) One percent of the excess, if positive, of the average amount of insurance at the beginning of each of the first 10 policy years after the change, over the average amount of insurance before the change at the beginning of each of the first 10 policy years after the most recent previous change, or, if there has been no previous change, the date of issue of the policy; and

(b) One hundred twenty-five percent of the increase, if positive, in the nonforfeiture net level premium.

6. The recalculated nonforfeiture net level premium must be equal to the result obtained by dividing amount "A" by amount "B" where:

(a) "A" equals the sum of:

(1) The nonforfeiture net level premium applicable before the change, multiplied by the present value of an annuity of one per annum payable on each anniversary of the policy on or after the date of the change on which a premium would have fallen due if the change had not occurred; and

(2) The present value of the increase in future guaranteed benefits provided for by the policy.

(b) “B” equals the present value of an annuity of one per annum payable on each anniversary of the policy on or after the date of change on which a premium falls due.

7. In the case of a policy issued on a substandard basis which provides reduced graded amounts of insurance so that, in each policy year, the policy has the same tabular mortality cost as an otherwise similar policy issued on the standard basis which provides higher uniform amounts of insurance, adjusted premiums and present values for the substandard policy may be calculated as if it were issued to provide the higher uniform amounts of insurance on the standard basis.

8. All adjusted premiums and present values referred to in NRS 688A.290 to 688A.360, inclusive, must be calculated for all policies of ordinary insurance on the basis of the Commissioners 1980 Standard Ordinary Mortality Table or, at the election of the insurer for any one or more specified plans of life insurance, the Commissioners 1980 Standard Ordinary Mortality Table with Ten-Year Select Mortality Factors; all policies of industrial insurance must be calculated on the basis of the Commissioners 1961 Standard Industrial Mortality Table; and all policies issued in a particular calendar year must be calculated on the basis of a rate of interest not exceeding the nonforfeiture interest rate established in this section for policies issued in that calendar year, except as follows:

(a) At the option of the insurer, calculations for all policies issued in a particular calendar year may be made on the basis of a rate of interest not exceeding the nonforfeiture interest rate, established in this section, for policies issued in the immediately preceding calendar year.

(b) Under any paid-up nonforfeiture benefit, including any paid-up dividend additions, any cash surrender value available, whether or not required by NRS 688A.290, must be calculated on the basis of the mortality table and rate of interest used in determining the amount of the paid-up nonforfeiture benefit and paid-up dividend additions, if any.

(c) An insurer may calculate the amount of any guaranteed paid-up nonforfeiture benefit including any paid-up additions under the policy on the basis of an interest rate which is not lower than that specified in the policy for calculating cash surrender values.

(d) In calculating the present value of any paid-up term insurance with accompanying pure endowment, if any, offered as a nonforfeiture benefit, the rates of mortality assumed may be not more than those shown in the Commissioners 1980 Extended Term Insurance Table for policies of ordinary insurance and not more than the Commissioners 1961 Industrial Extended Term Insurance Table for policies of industrial insurance.

(e) For insurance issued on a substandard basis or a special underwriting basis, the calculation of any adjusted premiums and present values may be based on appropriate modifications of the tables specified in this subsection.

(f) ~~{Any}~~ For policies issued:

(1) *Before the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, any Commissioners Standard* ordinary mortality tables which are adopted after 1980 by the National Association of Insurance Commissioners and are approved by a regulation adopted by the Commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table.

(2) *On or after the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, the Valuation Manual must set forth the Commissioners Standard mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1980 Standard Ordinary Mortality Table with or without Ten-Year Select Mortality Factors or for the Commissioners 1980 Extended Term Insurance Table. If the Commissioner approves by regulation any Commissioners Standard ordinary mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard specified in the Valuation Manual.*

(g) ~~{Any}~~ For policies issued:

(1) *Before the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, any Commissioners Standard* industrial mortality tables which are adopted after 1980 by the National Association of Insurance Commissioners and are approved by a regulation adopted by the Commissioner for use in determining the minimum nonforfeiture standard may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table.

(2) *On or after the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, the Valuation Manual must set forth the Commissioners Standard industrial mortality table for use in determining the minimum nonforfeiture standard that may be substituted for the Commissioners 1961 Standard Industrial Mortality Table or the Commissioners 1961 Industrial Extended Term Insurance Table. If the Commissioner approves by regulation any Commissioners Standard industrial mortality table adopted by the National Association of Insurance Commissioners for use in determining the minimum nonforfeiture standard for policies issued on or after the operative date of the Valuation Manual, then that minimum nonforfeiture standard supersedes the minimum nonforfeiture standard specified in the Valuation Manual.*

9. ~~{The}~~ For the purposes of this section:

(a) *For policies issued before the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, the* nonforfeiture interest

rate for any policy issued in a particular calendar year must be equal to ~~{125}~~ **the greater of:**

(1) **One hundred twenty-five** percent of the calendar year statutory valuation interest rate for the policy as defined in the Standard Valuation Law, rounded to the nearer one-fourth of 1 percent ~~{1}~~; **or**

(2) **Four percent.**

(b) ***For policies issued on or after the operative date of the Valuation Manual, as determined pursuant to section 33.7 of this act, the nonforfeiture interest rate per annum for any policy issued in a particular calendar year must be as specified in the Valuation Manual.***

10. Any refiling of nonforfeiture values or their methods of computation for any previously approved policy form which involves only a change in the interest rate or mortality table used to compute nonforfeiture values does not require refiling of any other provisions of that policy form.

11. After July 1, 1983, any insurer may file with the Commissioner a written notice of its election to comply with the provision of this section after a specified date before January 1, 1989. A date so specified is the operative date of this section for that insurer. If an insurer makes no election, the operative date of this section for that insurer is January 1, 1989.

12. ***As used in this section, "Valuation Manual" has the meaning ascribed to it in section 32 of this act.***

Sec. 260. NRS 688A.390 is hereby amended to read as follows:

688A.390 1. A domestic life insurer may establish one or more separate accounts, and may allocate thereto amounts (including without limitation proceeds applied under optional modes of settlement or under dividend options) to provide for life insurance or annuities (and benefits incidental thereto), payable in fixed or variable amounts or both, subject to the following:

(a) The income, gains and losses, realized or unrealized, from assets allocated to a separate account shall be credited to or charged against the account, without regard to other income, gains or losses of the company.

(b) Except as may be provided with respect to reserves for guaranteed benefits and funds referred to in paragraph (c):

(1) Amounts allocated to any separate account and accumulations thereon may be invested and reinvested without regard to any requirements or limitations prescribed by the laws of this state governing the investments of life insurance companies; and

(2) The investments in such separate account or accounts shall not be taken into account in applying the investment limitations otherwise applicable to the investments of the company.

(c) Except with the approval of the Commissioner and under such conditions as to investments and other matters as the Commissioner may prescribe, which shall recognize the guaranteed nature of the benefits provided, reserves for:

(1) Benefits guaranteed as to dollar amount and duration; and

(2) Funds guaranteed as to principal amount or stated rate of interest,

↪ shall not be maintained in a separate account.

(d) Unless otherwise approved by the Commissioner, assets allocated to a separate account shall be valued at their market value on the date of valuation, or if there is no readily available market, then as provided under the terms of the contract or the rules or other written agreement applicable to such separate account; but unless otherwise approved by the Commissioner, the portion if any of the assets of such separate account equal to the company's reserve liability with regard to the guaranteed benefits and funds referred to in paragraph (c) shall be valued in accordance with the rules otherwise applicable to the company's assets.

(e) Amounts allocated to a separate account in the exercise of the power granted by this section shall be owned by the company, and the company shall not be, nor hold itself out to be, a trustee with respect to such amounts. If and to the extent so provided under the applicable contracts, that portion of the assets of any such separate account equal to the reserves and other contract liabilities with respect to such account shall not be chargeable with liabilities arising out of any other business the company may conduct.

(f) No sale, exchange or other transfer of assets may be made by a company between any of its separate accounts or between any other investment account and one or more of its separate accounts unless, in case of a transfer into a separate account, such transfer is made solely to establish the account pursuant to subsection 6 or to support the operation of the contracts with respect to the separate account to which the transfer is made, and unless such transfer, whether into or from a separate account, is made:

(1) By a transfer of cash; or

(2) By a transfer of securities having a readily determinable market value, provided that such transfer of securities is approved by the Commissioner.

↪ The Commissioner may approve other transfers among such accounts if, in the opinion of the Commissioner, such transfers would not be inequitable.

(g) To the extent such company deems it necessary to comply with any applicable federal or state laws, such company, with respect to any separate account, including without limitation any separate account which is a management investment company or a unit investment trust, may provide for persons having an interest therein appropriate voting and other rights and special procedures for the conduct of the business of such account, including without limitation special rights and procedures relating to investment policy, investment advisory services, selection of independent public accountants and the selection of a committee, the members of which need not be otherwise affiliated with such company, to manage the business of such account.

2. Any contract providing benefits payable in variable amounts delivered or issued for delivery in this state, including a group contract and any certificate issued thereunder, shall contain a statement of the essential features of the procedures to be followed by the insurance company in determining the dollar amount of such variable benefits. Any such contract under which the benefits vary to reflect investment experience, including a group contract and

any certificate in evidence of variable benefits issued thereunder, shall state that such dollar amount will so vary and shall contain on its first page a statement to the effect that the benefits thereunder are on a variable basis.

3. No company shall deliver or issue for delivery within this state variable contracts unless it is licensed or organized to do a life insurance or annuity business in this state, and the Commissioner is satisfied that its condition or method of operation in connection with the issuance of such contracts will not render its operation hazardous to the public or its policyholders in this state. In this connection, the Commissioner shall consider among other things:

- (a) The history and financial condition of the company;
- (b) The character, responsibility and fitness of the officers and directors of the company; and
- (c) The law and regulations under which the company is authorized in the state of domicile to issue variable contracts.

➤ If the company is a subsidiary of an admitted life insurance company, or affiliated with such company through common management or ownership, it may be deemed by the Commissioner to have met the provisions of this subsection if either it or the parent or the affiliated company meets the requirements hereof.

4. Notwithstanding any other provision of law, the Commissioner has sole authority to regulate the issuance and sale of variable contracts, and to issue such reasonable rules and regulations as may be appropriate to carry out the purposes and provisions of this section.

5. Except for NRS 688A.190, 688A.240 and 688A.250 in the case of a variable annuity contract and NRS 688A.060, 688A.110, 688A.120, 688A.130, 688A.290 to 688A.360, inclusive, and 688B.050 in the case of a variable life insurance policy and except as otherwise provided in this Code, all pertinent provisions of this Code shall apply to separate accounts and contracts relating thereto. Any individual variable life insurance contract, delivered or issued for delivery in this state, shall contain grace, reinstatement and nonforfeiture provisions appropriate to such a contract. Any individual variable annuity contract, delivered or issued for delivery in this state, shall contain grace and reinstatement provisions appropriate to such a contract. The reserve liability for variable contracts shall be established in accordance with actuarial procedures that recognize the variable nature of the benefits provided and any mortality guarantees.

6. A domestic life insurer which establishes one or more separate accounts pursuant to this section may participate therein by allocating and contributing to such separate account funds which otherwise might be invested pursuant to ~~subsection 1 of NRS 682A.050 and NRS 682A.110.~~ **sections 164 and 201 of this act.** The insurer shall have a proportionate interest in any such account, along with all other participating contract holders, to the extent of its participation therein. ~~It, and with respect thereto shall also be subject to all the provisions of NRS 682A.210 applicable to separate account contract holders generally.~~ The aggregate amount so allocated or contributed by such an

insurer to one or more separate accounts shall not, without the consent of the Commissioner, exceed the greater of:

- (a) One hundred thousand dollars;
- (b) One percent of its admitted assets as of December 31 next preceding; or
- (c) Five percent of its surplus as to policyholders as of December 31 next preceding.

➔ All funds allocated or contributed by the insurer to a separate account for the purpose of participation therein shall be included in applying the limitations upon investments otherwise specified in this Code. The insurer shall be entitled to withdraw at any time in whole or in part its participation in any separate account to which funds have been allocated or contributed and to receive upon withdrawal its proportional share of the value of the assets of the separate account at the time of withdrawal.

Sec. 261. NRS 689A.700 is hereby amended to read as follows:

689A.700 The Commissioner may adopt regulations to carry out the provisions of this section and NRS 689A.690 ~~and 689A.695~~ and to ensure that the practices used by individual carriers relating to the establishment of rates are consistent with the purposes of NRS 689A.470 to 689A.740, inclusive.

Sec. 262. NRS 689A.725 is hereby amended to read as follows:

689A.725 For the purposes of NRS 689A.470 to 689A.740, inclusive, a plan for coverage of a bona fide association must:

1. Conform with NRS 689A.690 ~~1, 689A.695~~ and 689A.700 concerning rates.
2. Provide for the renewability of coverage for members of the bona fide association, and their dependents, if such coverage meets the criteria set forth in NRS 689A.630.

Sec. 263. NRS 690B.023 is hereby amended to read as follows:

690B.023 If insurance for the operation of a motor vehicle required pursuant to NRS 485.185 is provided by a contract of insurance, the insurer shall:

1. Provide evidence of insurance , ***which may be provided in paper or electronic format***, to the insured on a form ***or in a format*** approved by the Commissioner. The evidence of insurance must include:

- (a) The name and address of the policyholder;
- (b) The name and address of the insurer;
- (c) Vehicle information, consisting of:
 - (1) The year, make and complete identification number of the insured vehicle or vehicles; or
 - (2) The word "Fleet" and the name of the registered owner if the vehicle is covered under a fleet policy written on an any auto basis or blanket policy basis;
- (d) The term of the insurance, including the day, month and year on which the policy:
 - (1) Becomes effective; and

- (2) Expires;
 - (e) The number of the policy;
 - (f) A statement that the coverage meets the requirements set forth in NRS 485.185; and
 - (g) The statement “This ~~filed~~ **evidence of insurance** must be carried in the insured motor vehicle for production upon demand.” The statement must be prominently displayed.
2. Provide new evidence of insurance if:
- (a) The information regarding the insured vehicle or vehicles required pursuant to paragraph (c) of subsection 1 no longer is accurate;
 - (b) An additional motor vehicle is added to the policy;
 - (c) A new number is assigned to the policy; or
 - (d) The insured notifies the insurer that the original evidence of insurance has been lost.

Sec. 264. Chapter 692C of NRS is hereby amended by adding thereto the provisions set forth as sections 265 to 289, inclusive, of this act.

Sec. 265. *“Insurance group” means, for the purpose of conducting an ORSA, those insurers and affiliates included within an insurance holding company system.*

Sec. 266. *“NAIC” means the National Association of Insurance Commissioners.*

Sec. 267. *“Own Risk and Solvency Assessment” or “ORSA” means a confidential internal assessment, appropriate to the nature, scale and complexity of an insurer or insurance group, conducted by that insurer or insurance group, of the material and relevant risks associated with the insurer or insurance group’s current business plan, and the sufficiency of capital resources to support those risks.*

Sec. 268. *“ORSA Guidance Manual” means the current version of the NAIC Own Risk and Solvency Assessment (ORSA) Guidance Manual developed and adopted by the NAIC, as amended. A change in the ORSA Guidance Manual is effective on the first day of January following the calendar year in which the changes were adopted by the NAIC.*

Sec. 269. *“ORSA Summary Report” means a confidential high-level summary of an ORSA.*

Sec. 270. *An insurer shall maintain a risk management framework to assist the insurer with identifying, assessing, monitoring, managing and reporting on its material relevant risks. This requirement shall be deemed satisfied if the insurance group of which the insurer is a member maintains a risk management framework applicable to the operations of the insurer.*

Sec. 271. *Subject to the provisions of sections 275 to 280, inclusive, of this act, an insurer, or the insurance group of which the insurer is a member, shall regularly conduct an ORSA consistent with a process comparable to that set forth in the ORSA Guidance Manual. An ORSA must be conducted not less than annually but also at any time when there are significant*

changes to the risk profile of the insurer or the insurance group of which the insurer is a member.

Sec. 272. Upon the request of the Commissioner, and not more than once each year, an insurer shall submit to the Commissioner an ORSA Summary Report or any combination of reports that together contain the information described in the ORSA Guidance Manual, applicable to the insurer and the insurance group of which the insurer is a member. Notwithstanding any request from the Commissioner, if the insurer is a member of an insurance group, the insurer shall submit the report required by this section if the Commissioner is the lead state commissioner of the insurance group as determined by the procedures within the Financial Analysis Handbook, published by the NAIC.

Sec. 273. The report required by section 272 of this act must include a signature of the insurer or insurance group's chief risk officer, or other executive having responsibility for the oversight of the insurer's enterprise risk management process, attesting to the best of his or her belief and knowledge that the insurer applies the enterprise risk management processes described in the ORSA Summary Report and that a copy of the Report has been provided to the insurer's board of directors or the appropriate committee thereof.

Sec. 274. An insurer may comply with the requirements of section 272 of this act by providing the most recent and substantially similar report provided by the insurer or another member of an insurance group of which the insurer is a member to the commissioner of another state or to a supervisor or regulator of a foreign jurisdiction, if that report provides information that is comparable to the information described in the ORSA Guidance Manual. Any such report in a language other than English must be accompanied by a translation of that report into the English language.

Sec. 275. An insurer is exempt from the requirements of sections 270 to 289, inclusive, of this act, if:

1. The insurer has annual direct written and unaffiliated assumed premiums, including international direct and assumed premiums, but excluding premiums reinsured with the Federal Crop Insurance Corporation and the National Flood Insurance Program, of less than \$500,000,000; and

2. The insurance group of which the insurer is a member has annual direct written and unaffiliated assumed premiums, including international direct and assumed premiums but excluding premiums reinsured with the Federal Crop Insurance Corporation and the National Federal Flood Insurance Program, of less than \$1 billion.

Sec. 276. If an insurer qualifies for an exemption pursuant to subsection 1 of section 275 of this act and the insurance group of which the insurer is a member does not qualify for an exemption pursuant to subsection 2 of that section, the ORSA Summary Report that may be required under sections 272, 273 and 274 of this act must include every

insurer within the insurance group. This requirement shall be deemed satisfied by the submission of more than one ORSA Summary Report for any combination of insurers, provided that any combination of reports includes every insurer within the insurance group.

Sec. 277. *If an insurer does not qualify for an exemption pursuant to subsection 1 of section 275 of this act and the insurance group of which the insurer is a member qualifies for an exemption pursuant to subsection 2 of that section, the ORSA Summary Report that may be required under sections 272, 273 and 274 of this act is the report applicable to that insurer.*

Sec. 278. *An insurer that does not qualify for an exemption pursuant to section 275 of this act may apply to the Commissioner for a waiver from the requirements of sections 270 to 289, inclusive, of this act based on unique circumstances. In deciding whether to grant the insurer's request for a waiver, the Commissioner may consider the type and volume of business written, ownership and organizational structure, and any other factor the Commissioner considers relevant to the insurer or insurance group of which the insurer is a member. If the insurer is part of an insurance group with insurers domiciled in more than one state, the Commissioner shall coordinate with the lead state commissioner and with the other domiciliary commissioners in considering whether to grant the insurer's request for a waiver.*

Sec. 279. *Notwithstanding the provisions of sections 275 to 278, inclusive, of this act:*

1. *The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA and file an ORSA Summary Report based on unique circumstances, including, without limitation, the type and volume of business written, ownership and organizational structure, federal agency requests and international supervisor requests.*

2. *The Commissioner may require that an insurer maintain a risk management framework, conduct an ORSA and file an ORSA Summary Report if the insurer has risk-based capital for company action level event, as defined in regulations adopted by the Commissioner, meets one or more of the standards of an insurer deemed to be in hazardous financial condition, as defined in NRS 680A.205, or otherwise exhibits qualities of a troubled insurer as determined by the Commissioner.*

Sec. 280. *If an insurer that qualifies for an exemption pursuant to section 275 of this act subsequently no longer qualifies for that exemption as a result of changes in premium as reflected in the insurer's most recent annual statement, or in the most recent annual statements of the insurers within the insurance group of which the insurer is a member, the insurer shall have 1 year after the date on which the threshold is exceeded to comply with the requirements of sections 270 to 289, inclusive, of this act.*

Sec. 281. *An ORSA Summary Report must be prepared consistent with the ORSA Guidance Manual, subject to the requirements of this section and section 282 of this act. Documentation and supporting information must be*

maintained and made available upon examination or upon request of the Commissioner.

Sec. 282. The review of an ORSA Summary Report, and any additional requests for information, must be made using similar procedures currently used in analysis and examination of multistate or global insurers and insurance groups.

Sec. 283. 1. Except as otherwise provided in this section and NRS 239.0115 and section 273 of this act, any documents, materials and other information, including an ORSA Summary Report, in the possession of or control of the Division that are obtained by, created by or disclosed to the Commissioner or any other person in accordance with the provisions of sections 270 to 289, inclusive, of this act are proprietary and constitute trade secrets. All such documents, materials or other information are:

- (a) Confidential by law and privileged;*
- (b) Not subject to subpoena; and*
- (c) Not subject to discovery or admissible in evidence in any private civil action.*

2. Notwithstanding any provision of subsection 1 to the contrary, the Commissioner is authorized to use the documents, materials or other information in the furtherance of any regulatory or legal action brought as a part of the Commissioner's official duties. The Commissioner shall not otherwise make the documents, materials or other information public without the prior written consent of the insurer.

Sec. 284. Neither the Commissioner, nor any other person who received documents, materials or other information received pursuant to sections 270 to 289, inclusive, of this act, through examination or otherwise, while acting pursuant to the authority of the Commissioner or with whom such documents, materials and other information are shared in accordance with the provisions of those sections, is allowed or required to testify in any private civil action concerning any such documents, materials and information subject to section 283 of this act.

Sec. 285. To assist the performance of the Commissioner's regulatory duties, the Commissioner:

- 1. May, upon request, share documents, materials and other information received pursuant to sections 270 to 289, inclusive, of this act, including, without limitation, any documents, materials and information subject to section 283 of this act and any proprietary and trade secret documents and materials, with other state, federal and international financial regulatory agencies, including members of any supervisory college, as defined in NRS 692C.359, with the NAIC and with third-party consultants designated by the Commissioner, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials and other information received pursuant to sections 270 to 289, inclusive, of this act and has verified in writing the legal authority to maintain confidentiality; and*

2. *May receive documents, materials and other information received pursuant to sections 270 to 289, inclusive, of this act, including, without limitation, documents, materials and information which are otherwise confidential and privileged, and proprietary and trade secret information or documents, from regulatory officials of other foreign or domestic jurisdictions, including members of any supervisory college, as defined in NRS 692C.359, and from the NAIC, and shall maintain as confidential or privileged any such documents, materials and information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material or information.*

3. *Shall enter into a written agreement with the NAIC or a third-party consultant governing the sharing and use of information provided pursuant to sections 270 to 289, inclusive, of this act, that must:*

(a) *Specify procedures and protocols regarding the confidentiality and security of the information shared with the NAIC or third-party consultant, including procedures and protocols for sharing by the NAIC with other state regulators from states in which the insurance group has domiciled insurers. The agreement must provide that the recipient agrees to maintain the confidentiality and privileged status of the documents, materials and other information and has verified, in writing, the legal authority to maintain confidentiality;*

(b) *Specify that ownership of the information shared with the NAIC or third-party consultant remains with the Commissioner and use of the information by the NAIC or third-party consultant is subject to the discretion of the Commissioner;*

(c) *Prohibit the NAIC or third-party consultant from storing the information in a permanent database after the underlying analysis is completed;*

(d) *Require prompt notice to be given to an insurer whose confidential information in the possession of the NAIC or third-party consultant is subject to a request or subpoena to the NAIC or a third-party consultant for disclosure or production;*

(e) *Require the NAIC or third-party consultant to consent to intervention by an insurer in any judicial or administrative action in which the NAIC or third-party consultant may be required to disclose confidential information about the insurer shared with the NAIC or third-party consultant; and*

(f) *In the case of an agreement involving a third-party consultant, provide for the insurer's written consent.*

Sec. 286. *The sharing of documents, materials and other information by the Commissioner pursuant to sections 270 to 289, inclusive, of this act does not constitute a delegation of regulatory authority or rulemaking, and the Commissioner is solely responsible for the administration, execution and enforcement of the provisions of sections 270 to 289, inclusive, of this act.*

Sec. 287. No waiver of any applicable privilege or claim of confidentiality in the documents, proprietary and trade secrets materials or other information shall occur as a result of the disclosure of such documents, materials and information to the Commissioner in accordance with the provisions of sections 283 to 288, inclusive, of this act or as a result of sharing as authorized in accordance with the provisions of sections 270 to 289, inclusive, of this act.

Sec. 288. Documents, materials or other information in the possession or control of the NAIC or a third-party consultant in accordance with the provisions of sections 270 to 289, inclusive, of this act are:

- 1. Confidential by law and privileged;*
- 2. Not subject to the provisions of chapter 239 of NRS;*
- 3. Not subject to subpoena; and*
- 4. Not subject to discovery or admissible in evidence in any private civil action.*

Sec. 289. 1. The failure to file an ORSA Summary Report required by sections 270 to 289, inclusive, of this act, within the time specified for the filing is a violation of those sections.

2. Except as otherwise provided in subsection 3, if an insurer or group insurer fails, without just cause, to file an ORSA Summary Report required by sections 270 to 289, inclusive, of this act, the insurer or group insurer, as applicable, shall, after receiving notice and a hearing, pay a civil penalty of \$1,500 for each day the insurer or group insurer fails to file the ORSA Summary Report. The civil penalty may be recovered in a civil action brought by the Commissioner. Any civil penalty paid pursuant to this subsection must be deposited in the State General Fund.

3. The maximum civil penalty that may be imposed pursuant to subsection 2 is \$100,000. The Commissioner may reduce the amount of the civil penalty if the insurer or group insurer demonstrates to the satisfaction of the Commissioner that the payment of the civil penalty would impose a financial hardship on the insurer or group insurer, as applicable.

Sec. 290. NRS 692C.020 is hereby amended to read as follows:

692C.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 692C.025 to 692C.110, inclusive, **and sections 265 to 269, inclusive, of this act** have the meanings ascribed to them in those sections.

Sec. 291. NRS 692C.180 is hereby amended to read as follows:

692C.180 1. No person other than the issuer may make a tender for or a request or invitation for tenders of, or enter into any agreement to exchange securities for, seek to acquire or acquire in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer, nor may any person enter into an agreement to merge with or otherwise acquire control of a domestic insurer, unless, at the time any such offer, request or invitation is made or any such

agreement is entered into, or before the acquisition of those securities if no offer or agreement is involved, the person has filed with the Commissioner and has sent to the insurer, and the insurer has sent to its shareholders, a statement containing the information required by NRS 692C.180 to 692C.250, inclusive, and, except as otherwise provided in subsection 4, the offer, request, invitation, agreement or acquisition has been approved by the Commissioner in the manner prescribed in this chapter.

2. The **pre-acquisition** statement required by subsection 1 must be filed with the Commissioner at least 60 days before the proposed date of the acquisition. The statement must set forth, without limitation, the information required by NRS 692C.254. A person who fails to comply with this subsection is subject to the penalties set forth in subsections 6 and 7 of NRS 692C.258.

3. A person controlling a domestic insurer who is seeking to divest his or her controlling interest in the domestic insurer shall file with the Commissioner, and send to the insurer, notice of the proposed divestiture at least 30 days before the proposed divestiture, unless a **pre-acquisition** statement has been filed pursuant to subsection 1 concerning the proposed transaction. Notice filed pursuant to this subsection is confidential until the conclusion, if any, of the divestiture unless the Commissioner determines that such confidentiality will interfere with the enforcement of this section.

4. Upon receiving a **pre-acquisition** statement or notice pursuant to this section by a person seeking to acquire a controlling interest in a domestic insurer or divest a controlling interest in a domestic insurer, the Commissioner shall determine whether or not the person will be required to file for and obtain the approval of the Commissioner for the acquisition or divestiture. As soon as practicable after making that determination, the Commissioner shall notify the person of the results of the determination.

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

6. ***If a transaction is governed by the provisions of this section, the acquiring person shall also file a pre-acquisition notification with the Commissioner which must contain the information set forth in subsection 1. The Commissioner shall specify by regulation the period within which the notification must be filed. A person who fails to comply with this subsection or any regulations adopted pursuant thereto may be subject to the penalties set forth in subsection 7 of NRS 692C.258.***

7. As used in this section, “person” does not include a securities broker who, in the regular course of business as a broker, holds less than 20 percent of the voting securities of an insurer or of any person who controls an insurer.

Sec. 292. NRS 692C.190 is hereby amended to read as follows:

692C.190 The ***pre-acquisition*** statement to be filed with the Commissioner hereunder shall be made under oath or affirmation and shall contain the following:

1. The name and address of each person (hereinafter called the “acquiring party”) by whom or on whose behalf the merger or other acquisition of control referred to in subsection 1 of NRS 692C.180 is to be effected and, if such person is:

(a) An individual, the individual’s principal occupation and all offices and positions held by the individual during the past 5 years, and any conviction of crimes other than for minor traffic violations during the past 10 years.

(b) Not an individual, a report of the nature of its business operations during the past 5 years or for such lesser period as such person and any predecessors thereof shall have been in existence, together with an informative description of the business intended to be done by such person and such person’s subsidiaries, and a list of all individuals who are or who have been selected to become directors or executive officers of such person or who perform or will perform functions appropriate to such positions. Such list shall include for each such individual the information required by paragraph (a).

2. The source, nature and amount of the consideration used or to be used in effecting the merger or other acquisition of control, a description of any transaction wherein funds were or are to be obtained for any such purpose, and the identity of persons furnishing such consideration, but where a source of such consideration is a loan made in the lender’s ordinary course of business, the identity of the lender shall remain confidential, if the person filing such statement so requests.

3. Fully audited financial information as to the earnings and financial condition of each acquiring party for the preceding 5 fiscal years of each such acquiring party (or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence), and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement.

4. Any plans or proposals which each acquiring party may have to liquidate such insurer, to sell its assets or merge or consolidate it with any person, or to make any other material change in its business or corporate structure or management.

5. The number of shares of any security referred to in subsection 1 of NRS 692C.180 which each acquiring party proposes to acquire, and the terms of the offer, request, invitation, agreement or acquisition referred to in subsection 1 of NRS 692C.180 and a statement as to the method by which the fairness of the proposal was determined.

6. The amount of each class of any security referred to in subsection 1 of NRS 692C.180 which is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party.

7. A full description of any contracts, arrangements or understandings with respect to any security referred to in subsection 1 of NRS 692C.180 in which any acquiring party is involved, including but not limited to transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits or the giving or withholding of proxies. Such description shall identify the persons with whom such contracts, arrangements or understandings have been made.

8. A description of the purchase of any security referred to in subsection 1 of NRS 692C.180 during the 12 calendar months preceding the filing of the statement by any acquiring party, including the dates of purchase, names of the purchasers and consideration paid or agreed to be paid therefor.

9. A description of any recommendations to purchase any security referred to in subsection 1 of NRS 692C.180 made during the 12 calendar months preceding the filing of the statement by any acquiring party, or by anyone based upon interviews with or at the suggestion of such acquiring party.

10. Copies of all tenders, offers for, requests or invitations for tenders of, exchange offers for, and agreements to acquire or exchange any securities referred to in subsection 1, and, if distributed, additional soliciting material relating thereto.

11. The terms of any agreement, contract or understanding made with any broker-dealer, as to solicitation of securities referred to in subsection 1 of NRS 692C.180, for tender, and the amount of any fees, commissions or other compensation to be paid to broker-dealers with regard thereto.

12. ***An agreement by the person required to file the statement that the person will file the annual report of enterprise risk required by NRS 692C.290 while control exists.***

13. ***An acknowledgment by the person required to file the statement that the person, and all subsidiaries within its control in the insurance holding company system, will provide information to the Commissioner upon request as necessary to evaluate enterprise risk to the insurer.***

14. Such additional information as the Commissioner may by rule or regulation prescribe as necessary or appropriate for the protection of policy holders and security holders of the insurer or for the protection of the public interest.

➡ If the person required to file the statement referred to in this section is a partnership, limited partnership, syndicate or other group, the Commissioner may require that the information required by this section, be given with respect to each partner of such partnership or limited partnership, each member of such syndicate or group, and each person who controls such partner or member. If any such partner, member or person is a corporation or the person required to file the statement referred to in subsection 1 of NRS 692C.180 is a corporation, the Commissioner may require that the information required by this section, be given with respect to such corporation, each officer and director of such corporation, and each person who is directly or indirectly the beneficial owner

of more than 10 percent of the outstanding voting securities of such corporation. If any material change occurs in the facts set forth in the statement filed with the Commissioner and sent to such insurer pursuant to this section, an amendment setting forth such change, together with copies of all documents and other material relevant to such change, shall be filed with the Commissioner and sent to such insurer within 2 business days after the person learns of such change. Such insurer shall send each such amendment to its shareholders.

Sec. 293. NRS 692C.200 is hereby amended to read as follows:

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

Sec. 294. NRS 692C.210 is hereby amended to read as follows:

692C.210 1. Except as otherwise provided in subsections 5 and 7, the Commissioner shall approve any merger or other acquisition of control referred to in subsection 1 of NRS 692C.180 unless, after a public hearing thereon, the Commissioner finds that:

(a) After the change of control, the domestic insurer specified in subsection 1 of NRS 692C.180 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

(b) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly;

(c) The financial condition of any acquiring party may jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders or the interests of any remaining security holders who are unaffiliated with the acquiring party;

(d) The terms of the offer, request, invitation, agreement or acquisition referred to in subsection 1 of NRS 692C.180 are unfair and unreasonable to the security holders of the insurer;

(e) The plans or proposals which the acquiring party has to liquidate the insurer, sell its assets or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer or not in the public interest;

(f) The competence, experience and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest

of policyholders of the insurer or of the public to permit the merger or other acquisition of control;

(g) If approved, the merger or acquisition of control would likely be harmful or prejudicial to the members of the public who purchase insurance; or

(h) The practices of the applicant in managing claims have evidenced a pattern in which the applicant has knowingly committed, or performed with such frequency as to indicate a general business practice of:

(1) Misrepresentation of pertinent facts or provisions of policies of insurance as they relate to coverages at issue;

(2) Failure to affirm or deny coverage of claims within a reasonable time after written proofs of loss have been furnished; or

(3) Failure to pay claims in a timely manner.

2. Except as otherwise provided in subsection 7, the public hearing specified in subsection 1 must be held within 30 days after the **pre-acquisition** statement required by subsection 1 of NRS 692C.180 has been filed, and at least 20 days' notice thereof must be given by the Commissioner to the person filing the statement. Not less than 7 days' notice of the public hearing must be given by the person filing the statement to the insurer and to any other person designated by the Commissioner. The insurer shall give such notice to its security holders. The Commissioner shall make a determination within 60 days after the conclusion of the hearing. If the Commissioner determines that an infusion of capital to restore capital in connection with the change in control is required, the requirement must be met within 60 days after notification is given of the determination. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent and any other person whose interests may be affected thereby may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and, in connection therewith, may conduct discovery proceedings in the same manner as is presently allowed in the district court of this state. All discovery proceedings must be concluded not later than 3 days before the commencement of the public hearing.

3. The Commissioner may retain at the acquiring party's expense attorneys, actuaries, accountants and other experts not otherwise a part of the staff of the Commissioner as may be reasonably necessary to assist the Commissioner in reviewing the proposed acquisition of control.

4. The period for review by the Commissioner must not exceed the 60 days allowed between the filing of the notice of intent to acquire required pursuant to subsection 5 of NRS 692C.180 and the date of the proposed acquisition if the proposed affiliation or change of control involves a financial institution, or an affiliate of a financial institution, and an insured.

5. When making a determination pursuant to paragraph (b) of subsection 1, the Commissioner:

(a) Shall require the submission of the information specified in subsection 2 of NRS 692C.254;

(b) Shall ~~consider:~~

~~— (1) The standards set forth in the Horizontal Merger Guidelines issued by the United States Department of Justice and the Federal Trade Commission and in effect at the time the Commissioner receives the statement required pursuant to subsection 1 of NRS 692C.180; and~~

~~— (2) The~~ **not disapprove the merger or other acquisition upon a finding that any of the** factors described in subsection ~~3~~ 6 of NRS 692C.256 ~~exist;~~

(c) May condition approval of the merger or acquisition of control in the manner provided in subsection 4 of NRS 692C.258.

6. If, in connection with a change of control of a domestic insurer, the Commissioner determines that the person who is acquiring control of the domestic insurer must maintain or restore the capital of the domestic insurer in an amount that is required by the laws and regulations of this state, the Commissioner shall make the determination not later than 60 days after the notice of intent to acquire required pursuant to subsection 5 of NRS 692C.180 is filed with the Commissioner.

7. If the proposed merger or other acquisition of control referred to in subsection 1 of NRS 692C.180 requires the approval of the commissioner of more than one state, the public hearing required pursuant to subsection 1 may, upon the request of the person who filed the **pre-acquisition** statement required pursuant to subsection 1 of NRS 692C.180, be consolidated with the hearings required in other states. Not more than 5 days after receiving such a request, the Commissioner shall file with the ~~the National Association of Insurance Commissioners~~ **NAIC** a copy of the **pre-acquisition** statement that was filed with the Commissioner pursuant to subsection 1 of NRS 692C.180 by the person requesting a consolidated hearing. The Commissioner may opt out of a consolidated hearing and, if the Commissioner elects to do so, he or she shall provide notice to the person requesting the consolidated hearing not more than 10 days after receiving the **pre-acquisition** statement filed pursuant to subsection 1 of NRS 692C.180. A consolidated hearing must be public and must be held within the United States before participating commissioners of the states in which the insurers are domiciled. Participating commissioners may hear and receive evidence at the hearing.

Sec. 295. NRS 692C.254 is hereby amended to read as follows:

692C.254 1. An acquisition to which the provisions of NRS 692C.252 apply is subject to an order issued pursuant to NRS 692C.258 unless:

(a) The acquiring person files a notice of acquisition pursuant to this section; and

(b) The waiting period specified in subsection 4 has expired.

2. The Commissioner shall prescribe the form of the notice required pursuant to subsection 1. A notice of acquisition filed pursuant to this section must include:

(a) The information required by the ~~the National Association of Insurance Commissioners~~ **NAIC** relating to any market that, pursuant to subsection 5 of

NRS 692C.252, causes the acquisition not to be exempted from the provisions of this section; and

(b) Any other material or information required by the Commissioner to determine whether or not the proposed acquisition, if consummated, would violate the provisions of NRS 692C.256.

3. The information required pursuant to subsection 2 may include the opinion of an economist relating to the competitive effect of the acquisition on the business of insurance in this state if the opinion is accompanied by a summary of the education and experience of the economist and a statement indicating the ability of the economist to provide an informed opinion.

4. Except as otherwise provided in subsection 5, the waiting period for an acquisition required pursuant to subsection 1 begins on the date the Commissioner receives the notice filed pursuant to subsection 1 and ends on the expiration of 30 days after that date or on the expiration of a shorter period prescribed by the Commissioner, whichever is earlier.

5. Before the expiration of the waiting period specified in subsection 4, the Commissioner may, not more than once, require a person to submit additional information relating to the proposed acquisition. If the Commissioner requires the submission of additional information, the waiting period for the acquisition ends upon the expiration of 30 days after the Commissioner receives the additional information or upon the expiration of a shorter period prescribed by the Commissioner, whichever is earlier.

Sec. 296. NRS 692C.256 is hereby amended to read as follows:

692C.256 1. The Commissioner may issue an order pursuant to NRS 692C.258 relating to an acquisition if:

(a) The effect of the acquisition may substantially lessen competition in any line of insurance in this state or tend to create a monopoly; or

(b) The acquiring person fails to file sufficient materials or information pursuant to NRS 692C.254.

2. In determining whether ~~to issue an order pursuant to subsection 1,~~ **a proposed acquisition would violate the competitive standard,** the Commissioner shall consider the ~~standards set forth in the Horizontal Merger Guidelines issued by the United States Department of Justice and the Federal Trade Commission and in effect at the time the Commissioner receives the notice required pursuant to NRS 692C.254.~~

~~3.~~ **following:**

(a) Any acquisition to which the provisions of NRS 692C.252 apply involving two or more insurers competing in the same market is prima facie evidence of a violation of the competitive standard if:

(1) The market is highly concentrated and the involved insurers possess the following shares of the market:

<u>Insurer A</u>	<u>Insurer B</u>
4 percent	4 percent or more
10 percent	2 percent or more
15 percent	1 percent or more

(2) The market is not highly concentrated and the involved insurers possess the following shares of the market:

<u>Insurer A</u>	<u>Insurer B</u>
5 percent	5 percent or more
10 percent	4 percent or more
15 percent	3 percent or more
19 percent	1 percent or more

(b) There is a significant trend toward increased concentration when the aggregate market share of any grouping of the largest insurers in the market, from the two largest to the eight largest, has increased by 7 percent or more of the total market over a period of time extending from any base year 5 to 10 years before the acquisition up to the time of the acquisition. Any acquisition to which the provisions of NRS 692C.252 apply, involving two or more insurers competing in the same market is prima facie evidence of a violation of the competitive standard if:

(1) There is a significant trend toward increased concentration in the market;

(2) One of the insurers involved is one of the insurers in a grouping of large insurers showing the requisite increase in the market share; and

(3) Another involved insurer's market share is 2 percent or more.

3. Percentages not shown in the tables in paragraph (a) of subsection 2 must be interpolated proportionately to the percentages that are shown.

4. If more than two insurers are involved in an acquisition, exceeding the total of the two columns in the relevant table of paragraph (a) of subsection 2 is prima facie evidence of a violation of the competitive standard. For the purposes of this subsection, the insurer with the largest market share shall be deemed to be Insurer A.

5. Irrespective of whether an acquisition constitutes a prima facie violation of the competitive standard set forth in this section, the Commissioner, or a party to the acquisition, may establish the presence or absence of the requisite anticompetitive effect based upon other substantial evidence, including, without limitation, market shares, volatility of ranking market leaders, the number of competitors, concentrations, trend concentration in the industry and ease of entry and exit in the market.

6. The Commissioner shall, before issuing an order specified in subsection 1, consider:

(a) If:

(1) The acquisition creates substantial economies of scale or economies in the use of resources that may not be created in any other manner; and

(2) The public benefit received from those economies exceeds the public benefit received from not lessening competition; or

(b) If:

(1) The acquisition substantially increases the availability of insurance; and

(2) The public benefit received by that increase exceeds the public benefit received from not lessening competition.

~~{4.}~~ 7. The public benefits set forth in subparagraph 2 of paragraphs (a) and (b) of subsection ~~{3}~~ 6 may be considered together, as applicable, in assessing whether the public benefits received from the acquisition exceed any benefit to competition that would arise from disapproving the acquisition.

~~{5.}~~ 8. The Commissioner has the burden of establishing that the acquisition will result in a violation of the competitive standard set forth in subsection 1.

9. *An order may not be entered in accordance with NRS 692C.258 if:*

(a) *The acquisition will yield substantial economies of scale or economies in resource utilization that cannot be feasibly achieved in any other way, and the public benefits which would arise from such economies exceed the public benefits which would not arise from lessening competition; or*

(b) *The acquisition will substantially increase the availability of insurance, and the public benefits of the increase exceed the public benefits which would arise from not lessening competition.*

10. *As used in this section:*

(a) *“Highly concentrated market” means a market in which the combined market share of the four largest insurers totals 75 percent or more of the total market.*

(b) *“Insurer” includes any company or group of companies under common management, ownership or control.*

(c) *“Market” means the relevant product and geographical markets. In the absence of sufficient information to the contrary, the relevant product market is assumed to be the direct written insurance premium for a line of business, such line being that used in the annual statement required to be filed by an insurer doing business in this State and the relevant geographical market is assumed to be this State.*

Sec. 297. NRS 692C.260 is hereby amended to read as follows:

692C.260 1. Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the Commissioner, except a foreign insurer subject to disclosure requirements and standards adopted by a statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in NRS 692C.260 to 692C.350, inclusive.

2. Any insurer which is subject to registration under NRS 692C.260 to 692C.350, inclusive, shall register not later than September 1, 1973, or 15 days after it becomes subject to registration, whichever is later, **and annually thereafter by June 30 of each year for the immediately preceding calendar year**, unless the Commissioner for good cause shown extends the time for registration. The Commissioner may require any authorized insurer which is a member of a holding company system which is not subject to registration under this section to furnish a copy of the registration statement or other

information filed by the insurance company with the insurance regulatory authority of domiciliary jurisdiction.

3. Any person within an insurance holding company system subject to registration shall, upon request by an insurer, provide complete and accurate information to the insurer if the information is reasonably necessary to enable the insurer to comply with the provisions of this section.

Sec. 298. NRS 692C.270 is hereby amended to read as follows:

692C.270 Every insurer subject to registration shall file:

1. A registration statement ~~on a form provided by~~ **with** the Commissioner, ***on a form and in a format prescribed by the Commissioner,*** which must contain current information about:

(a) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer.

(b) The identity of every member of the insurance holding company system.

(c) The following agreements in force, relationships subsisting and transactions currently outstanding between the insurer and its affiliates:

(1) Loans, other investments or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates.

(2) Purchases, sales or exchanges of assets.

(3) Transactions not in the ordinary course of business.

(4) Guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business.

(5) All management and service contracts and all cost-sharing arrangements, other than cost allocation arrangements based upon generally accepted accounting principles.

(6) Reinsurance agreements covering all or substantially all of one or more lines of insurance of the ceding company.

(7) Any dividend or other distribution made to a shareholder.

(8) Any consolidated agreement to allocate taxes.

(d) Any pledge of the insurer's stock, including the stock of any subsidiary or controlling affiliate of the insurer, for a loan made to any member of the insurance holding company system.

(e) Any other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms adopted or approved by the Commissioner.

2. A statement verifying that:

(a) The board of directors of the insurer oversees the corporate governance and internal controls of the insurer; and

(b) Officers or senior management of the insurer have approved, implemented and continue to maintain and monitor the corporate governance and internal controls of the insurer.

3. Financial statements of the insurance holding company system and all affiliates, if requested by the Commissioner. This requirement may be satisfied

by providing the most recent statement filed with the United States Securities and Exchange Commissioner pursuant to the Securities Act of 1933, 15 U.S.C. 78a et seq., by the insurance holding company system or its parent corporation.

Sec. 299. NRS 692C.290 is hereby amended to read as follows:

692C.290 1. Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on forms provided by the Commissioner within 15 days after the end of the month in which it learns of each such change or addition, and not less often than annually, except that, subject to the provisions of NRS 692C.390, each registered insurer shall report all dividends and other distributions to shareholders within 5 business days following the declaration and 10 days before payment.

2. ***The principal of a registered insurer shall file an annual report of enterprise risk pursuant to this subsection.*** If the principal of a registered insurer does not file a report of enterprise risk with the commissioner of the lead state of the insurance company system, as determined by the most recent edition of the Financial Analysis Handbook, published by the ~~{National Association of Insurance Commissioners,}~~ NAIC, in a calendar year, the principal shall file a report of enterprise risk with the Commissioner. The principal shall include in the report the material risks within the insurance holding company system that, to the best of his or her knowledge and belief, may pose enterprise risk to the registered insurer.

3. ***Whenever it appears to the Commissioner that any person has committed a violation of subsection 2 which prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for conducting an examination of the insurer pursuant to NRS 679B.230 to 679B.287, inclusive.***

Sec. 300. NRS 692C.330 is hereby amended to read as follows:

692C.330 1. Any person may file with the Commissioner:

(a) A disclaimer of affiliation with any authorized insurer specified in the disclaimer; or

(b) A request for a termination of registration on the basis that the person does not, or will not after taking an action specified in the request for termination, control another person specified in the request.

2. A disclaimer of affiliation or request for a termination of registration specified in subsection 1 may be filed by the authorized insurer or any member of an insurance holding company system. A disclaimer of affiliation or request for a termination of registration filed pursuant to subsection 1 must include:

(a) A statement indicating the number of authorized, issued and outstanding voting securities of the person specified in the disclaimer of affiliation or request for a termination of registration;

(b) A statement indicating the number and percentage of shares of the person specified in the disclaimer of affiliation or request for a termination of registration that are owned or beneficially owned by the person disclaiming

control, and the number of those shares for which the person disclaiming control has a direct or indirect right to acquire;

(c) A statement setting forth all material relationships and bases for affiliation between the person specified in the disclaimer of affiliation or request for a termination of registration and the person and any affiliate of the person who is disclaiming control of the person specified in the disclaimer of affiliation or request for a termination of registration; and

(d) An explanation of why the person who is disclaiming control does not control the person specified in the disclaimer of affiliation or request for a termination of registration.

3. A request for a termination of registration filed pursuant to subsection 1 shall be deemed granted upon filing unless the Commissioner, within 30 days after receipt of the request for a termination of registration, notifies the person, authorized insurer or member of an insurance holding company system that the request is denied.

4. ~~After a disclaimer of affiliation has been filed, the insurer is relieved of any duty to register or report under NRS 692C.260 to 692C.350, inclusive, which may arise out of the insurer's relationship with the person unless the Commissioner disallows the disclaimer. The Commissioner may disallow the disclaimer only after furnishing all parties in interest with a notice and opportunity to be heard and after making specific findings of fact to support the disallowance.~~ ***A disclaimer of affiliation filed pursuant to subsection 1 shall be deemed granted unless the Commissioner, within 30 days after receipt of a complete disclaimer of affiliation, notifies the filing party that the disclaimer of affiliation is disallowed. In the event of disallowance, the disclaiming party may request an administrative hearing, which shall be granted. The disclaiming party is relieved of its duty to register pursuant to NRS 692C.260 to 692C.350, inclusive, if approval of the disclaimer of affiliation has been granted by the Commissioner, or if the disclaimer of affiliation is deemed approved.***

Sec. 301. NRS 692C.350 is hereby amended to read as follows:

692C.350 1. The failure to file a registration statement or ***summary or any amendment thereto , or a report of enterprise risk***, required by NRS 692C.260 to 692C.350, inclusive, within the time specified for the filing is a violation of NRS 692C.260 to 692C.350, inclusive.

2. Except as otherwise provided in subsection 3, if an insurer fails, without just cause, to file a registration statement required pursuant to NRS 692C.270 ~~to 692C.350, inclusive~~, the insurer shall, after receiving notice and a hearing, pay a civil penalty of \$100 for each day the insurer fails to file the registration statement. The civil penalty may be recovered in a civil action brought by the Commissioner. Any civil penalty paid pursuant to this subsection must be deposited in the State General Fund.

3. The maximum civil penalty that may be imposed pursuant to subsection 2 is \$20,000. The Commissioner may reduce the amount of the civil penalty if

the insurer demonstrates to the satisfaction of the Commissioner that the payment of the civil penalty would impose a financial hardship on the insurer.

4. Any officer, director or employee of an insurance holding company system who willfully and knowingly subscribes to or makes or causes to be made any false statement, false report or false filing with the intent to deceive the Commissioner in the performance of his or her duties pursuant to NRS 692C.260 to 692C.350, inclusive, is guilty of a category D felony and shall be punished as provided in NRS 193.130. The officer, director or employee is personally liable for any fine imposed against the officer, director or employee pursuant to that section.

Sec. 302. NRS 692C.380 is hereby amended to read as follows:

692C.380 For purposes of NRS 692C.360 to 692C.400, inclusive, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months exceeds the ~~greater~~ **lesser** of:

1. Ten percent of the insurer's surplus as regards policyholders as of December 31 next preceding the dividend or distribution; or

2. The net gain from operations of the insurer, if the insurer is a life insurer, or the net income, not including realized capital gains if the insurer is not a life insurer, for the 12-month period ending December 31 next preceding the dividend or distribution,

➡ but does not include pro rata distributions of any class of the insurer's own securities.

Sec. 303. NRS 692C.420 is hereby amended to read as follows:

692C.420 1. Except as otherwise provided in NRS 239.0115, all information, documents and copies thereof obtained by or disclosed to the Commissioner or any other person in the course of an examination or investigation made pursuant to NRS 692C.410, and all information reported pursuant to **subsections 12 and 13 of NRS 692C.190 and** NRS 692C.260 to 692C.350, inclusive, ~~must be given~~ **is confidential**, ~~treatment and~~ is not subject to subpoena, **is not subject to discovery, is not admissible in evidence in any private civil action** and must not be made public by the Commissioner or any other person, except to insurance departments of other states, without the prior written consent of the insurer to which it pertains unless the Commissioner, after giving the insurer and its affiliates who would be affected thereby notice and an opportunity to be heard, determines that the interests of policyholders, shareholders or the public will be served by the publication thereof, in which event he or she may publish all or any part thereof in any manner as he or she may deem appropriate.

2. The Commissioner or any person who receives any documents, materials or other information while acting under the authority of the Commissioner must not be permitted or required to testify in a private civil action concerning any information, document or copy thereof specified in subsection 1.

3. The Commissioner may share or receive any information, document or copy thereof specified in subsection 1 in accordance with NRS 679B.122. The sharing or receipt of the information, document or copy pursuant to this subsection does not waive any applicable privilege or claim of confidentiality in the information, document or copy.

4. The Commissioner shall enter into a written agreement with the NAIC governing the sharing and use of information specified in subsection 1 that must:

(a) Specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC and its affiliates and subsidiaries, including procedures and protocols for sharing by the NAIC with other state, federal and international regulators;

(b) Specify that ownership of the information shared with the NAIC and its affiliates and subsidiaries remains with the Commissioner and the NAIC's use of the information is subject to the discretion of the Commissioner;

(c) Require prompt notice to be given to an insurer whose confidential information in the possession of the NAIC is subject to a request or subpoena to the NAIC for disclosure or production; and

(d) Require the NAIC and its affiliates and subsidiaries to consent to intervention by an insurer in any judicial or administrative action in which the NAIC and its affiliates or subsidiaries may be required to disclose confidential information about the insurer shared with the NAIC and its affiliates and subsidiaries.

5. The sharing of information by the Commissioner does not constitute a delegation of regulatory authority or rulemaking, and the Commissioner is solely responsible for the administration, execution and enforcement of the provisions of this section.

6. No waiver of any applicable privilege or claim of confidentiality in the documents, materials or information shall occur as a result of disclosure to the Commissioner in accordance with this section or as a result of sharing as authorized in this section.

7. Documents, materials and other information in the possession or control of the NAIC in accordance with this section are:

(a) Confidential by law and privileged;

(b) Not subject to the provisions of chapter 239 of NRS;

(c) Not subject to subpoena; and

(d) Not subject to discovery or admissible in evidence in any private civil action.

Sec. 304. NRS 692C.485 is hereby amended to read as follows:

692C.485 1. A director or officer of an insurance holding company system who knowingly violates, or knowingly participates in or assents to a violation of, NRS 692C.350, 692C.360, 692C.363 or 692C.390, **or section 289 of this act**, or who knowingly ~~permits~~ **allows** any officer or agent of the insurance holding company to engage in a transaction in violation of

NRS 692C.360 or 692C.363 or to pay a dividend or make an extraordinary distribution in violation of NRS 692C.390 shall pay, after receiving notice and a hearing before the Commissioner, a fine of not more than \$10,000 for each violation. In determining the amount of the fine, the Commissioner shall consider the appropriateness of the fine in relation to:

- (a) The gravity of the violation;
- (b) The history of any previous violations committed by the director or officer; and
- (c) Any other matters as justice may require.

2. Whenever it appears to the Commissioner that an insurer or any director, officer, employee or agent of the insurer has engaged in a transaction or entered into a contract to which the provisions of NRS 692C.363 apply and for which the insurer has not obtained the Commissioner's approval, the Commissioner may order the insurer to cease and desist immediately from engaging in any further activity relating to the transaction or contract. In addition to issuing such an order, the Commissioner may order the insurer to rescind the contract and return each party to the contract to the position the party was in before the execution of the contract if the issuing of the order is in the best interest of:

- (a) The policyholders or creditors of the insurer; or
- (b) The members of the general public.

Sec. 305. NRS 693A.030 is hereby amended to read as follows:

693A.030 1. Except as otherwise provided in subsections 2, 3 and 4, a domestic insurer formed before, on or after January 1, 1972, shall not engage in any business other than the insurance business and in business activities reasonably and necessarily incidental to the insurance business.

2. A title insurer may also engage in business as an escrow agent.

3. Any insurer may also engage in business activities reasonably related to the management, supervision, servicing of and protection of its interests as to its lawful investments, and to the full utilization of its facilities.

4. An insurer may own subsidiaries which may engage in such businesses as are provided for in ~~NRS 682A.130.~~ **section 174 of this act.**

Sec. 306. Chapter 694C of NRS is hereby amended by adding thereto the provisions set forth as sections 307, 308 and 309 of this act.

Sec. 307. *“State-chartered risk retention group” means any risk retention group, as defined in NRS 695E.110, that is formed in accordance with the laws of this State as an association captive insurer.*

Sec. 308. 1. *In addition to the information required pursuant to NRS 694C.210, a state-chartered risk retention group being formed as an association captive insurer must submit to the Commissioner in summary form:*

- (a) *The identities of:*
 - (1) *All members of the group;*
 - (2) *All organizers of the group;*

(3) Those persons who will provide administrative services to the group; and

(4) Any person who will influence or control the activities of the group;

(b) The amount and nature of initial capitalization of the group;

(c) The coverages to be offered by the group; and

(d) Each state in which the group intends to operate.

2. Before it may transact insurance in any state, the state-chartered risk retention group must submit to the Commissioner, for approval by the Commissioner, a plan of operation. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation within 10 days after the change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of the plan is approved by the Commissioner.

3. A state-chartered risk retention group chartered in this State must file with the Commissioner on or before March 1 of each year a statement containing information concerning the immediately preceding year which must:

(a) Be submitted in a form prescribed by the National Association of Insurance Commissioners;

(b) Be prepared in accordance with the Annual Statement Instructions for the type of insurer to be reported on as adopted by the National Association of Insurance Commissioners for the year in which the insurer files the statement;

(c) Utilize accounting principles in a manner that remains consistent among financial statements submitted each year and that are substantively identical to:

(1) Generally accepted accounting principles, including any useful or necessary modifications or adaptations thereof that have been approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner; or

(2) Statutory accounting principles, as described in the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners effective on January 1, 2001, and as amended by the National Association of Insurance Commissioners after that date; and

(d) Be submitted electronically, if required by the Commissioner.

4. The Commissioner shall transmit to the National Association of Insurance Commissioners a copy of:

(a) All information submitted by a state-chartered risk retention group to the Commissioner pursuant to subsections 1 and 3; and

(b) Any revisions to a plan of operation submitted to the Commissioner pursuant to subsection 3.

Sec. 309. 1. The board of directors of a risk retention group must have a majority of independent directors. If the risk retention group is a reciprocal risk retention group, the attorney-in-fact is required to adhere to the same

standards regarding independence of operation and governance as imposed on the risk retention group's board of directors or subscribers advisory committee under this section, and, to the extent permissible by state law, service providers of a reciprocal risk retention group must contract with the risk retention group and not the attorney-in-fact.

2. *No director qualifies as independent unless the board of directors affirmatively determines that the director has no material relationship with the risk retention group. Each risk retention group shall disclose these determinations to its domestic regulator at least annually. For the purposes of this subsection, any person that is a direct or indirect owner of or subscriber in the risk retention group, or is an officer, director or employee of such an owner or insured, unless some other position of such officer, director or employee constitutes a material relationship, as contemplated by 15 U.S.C. 3901(a)(4)(E)(ii), is considered to be independent.*

3. *The term of any material service provider contract with a risk retention group must not exceed 5 years. Any such contract, or its renewal, must require the approval of the majority of the risk retention group's independent directors. The risk retention group's board of directors shall have the right to terminate any service provider, audit or actuarial contracts at any time for cause after providing adequate notice as defined in the contract. The service provider contract is deemed material if the amount to be paid for such contract is greater than, or equal to, 5 percent of the risk retention group's annual gross written premium or 2 percent of its surplus, whichever is greater. No service provider contract which creates a material relationship may be entered into unless the risk retention group has notified the Commissioner, in writing, of its intention to enter into such a transaction at least 30 days before and the Commissioner has not disapproved it within such period. For the purposes of this subsection:*

(a) "Lawyer" does not include defense counsel retained by the risk retention group to defend claims, unless the amount of fees paid to such lawyer creates a material relationship.

(b) "Service provider" includes, without limitation, a captive manager, auditor, accountant, actuary, investment advisor, lawyer, managing general underwriter or other party responsible for underwriting, determination of rates, collection of premium, adjusting and settling claims or the preparation of financial statements.

4. *The board of directors shall adopt a written policy in the plan of operation as approved by the board that requires the board to:*

(a) Ensure that all owners and insureds of the risk retention group receive evidence of ownership interest;

(b) Develop a set of governance standards applicable to the risk retention group;

(c) Oversee the evaluation of the risk retention group's management, including, without limitation, the performance of the captive manager, managing general underwriter or other party or parties responsible for

underwriting, determination of rates, collection of premium, adjusting or settling claims or the preparation of financial statements;

(d) Review and approve the amount to be paid for all material service providers; and

(e) At least annually, review and approve:

(1) The risk retention group's goals and objectives relevant to the compensation of officers and service providers;

(2) The officer's and service provider's performance in light of those goals and objectives; and

(3) The continued engagement of the officers and material service providers.

5. A risk retention group must have an audit committee composed of at least three independent board members. A board member that is not independent may participate in the activities of the audit committee if invited by the members, but cannot be a member of such committee.

6. An audit committee established pursuant to subsection 5 must have a written charter that defines the committee's purpose, which must include, without limitation:

(a) Assisting the board of directors with oversight of:

(1) The integrity of financial statements;

(2) Compliance with legal and regulatory requirements; and

(3) The qualifications, independence and performance of the independent auditor and actuary;

(b) Discussing the annual audited financial statements and quarterly financial statements with management;

(c) Discussing the annual audited financial statements and, if advisable, its quarterly financial statements with its independent auditor;

(d) Discussing policies with respect to risk assessment and risk management;

(e) Meeting separately and periodically, either directly or through a designated representative of the committee, with management and independent auditors;

(f) Reviewing with the independent auditor any audit problems or difficulties and management's response;

(g) Setting clear hiring policies of the risk retention group as to the hiring of employees or former employees of the independent auditor;

(h) Requiring the external auditor to rotate the lead, or coordinating, audit partner having primary responsibility for the risk retention group's audit as well as the audit partner responsible for reviewing that audit so that one such person does not perform audit services for more than 5 consecutive fiscal years; and

(i) Reporting regularly to the board of directors.

7. The domestic regulator may waive the requirement to establish an audit committee composed of independent board members if the risk retention group is able to demonstrate to the domestic regulator that it is

impracticable to do so and the board of directors itself is otherwise able to accomplish the purposes of the audit committee.

8. *The board of directors shall adopt and disclose governance standards which must include:*

- (a) A process by which the directors are elected by the owners and insureds;*
- (b) Qualification standards;*
- (c) Responsibilities;*
- (d) Access to management and, as necessary and appropriate, independent advisors;*
- (e) Compensation;*
- (f) Orientation and continuing education;*
- (g) The policies and procedures to be followed for management succession; and*
- (h) The policies and procedures to be followed for annual performance evaluation of the board.*

↪ *As used in this subsection, “disclose” means making information available through electronic or other means, including, without limitation, posting such information on the risk retention group’s Internet website and providing such information to its members and insureds upon request.*

9. *The board of directors shall adopt and disclose a code of business conduct and ethics for directors, officers and employees which must include, without limitation:*

- (a) Conflicts of interest;*
- (b) Matters covered under the corporate opportunities doctrine within the state of domicile;*
- (c) Confidentiality;*
- (d) Fair dealing;*
- (e) Protection and proper use of assets of the risk retention group;*
- (f) Compliance with all applicable laws, rules and regulations; and*
- (g) Requiring the reporting of any illegal or unethical behavior which affects the operation of the risk retention group.*

↪ *The board shall promptly disclose any waivers of the code for directors or executive officers.*

10. *The captive manager, president or chief executive officer of a risk retention group shall promptly notify the domestic regulator, in writing, if he or she becomes aware of any material noncompliance with this section.*

11. *As used in this section:*

(a) “Board of directors” or “board” means the governing body of a risk retention group elected by the shareholders or members to establish policy, elect or appoint officers and committees and make other governing decisions.

(b) “Director” means a natural person designated in the articles of the risk retention group, or designated, elected or appointed by any other manner, name or title to act on the board.

(c) *“Material relationship,” of a person with a risk retention group, includes, without limitation:*

(1) The receipt in any one 12-month period of compensation or payment of any other item of value by such person, a member of such person’s immediate family or any business with which such person is affiliated from the risk retention group or a consultant or service provider to the risk retention group that is greater than or equal to 5 percent of the risk retention group’s gross written premium for such 12-month period or 2 percent of its surplus, whichever is greater, as measured at the end of any fiscal quarter falling in such a 12-month period. Such person or immediate family member of such a person is not considered to be independent until 1 year after his or her compensation or payment from the risk retention group falls below the threshold set forth in this paragraph;

(2) A director or an immediate family member of a director who is affiliated with or employed in a professional capacity by a present or former internal or external auditor of the risk retention group is not considered to be independent until 1 year after the end of the affiliation, employment or auditing relationship.

(3) A director or immediate family member of a director who is employed as an executive officer of another company where any of the risk retention group’s present executives serve on that company’s board of directors is not considered to be independent until 1 year after the end of such service or the employment relationship.

Sec. 310. NRS 694C.010 is hereby amended to read as follows:

694C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 694C.020 to 694C.150, inclusive, **and section 307 of this act**, have the meanings ascribed to them in those sections.

Sec. 311. NRS 695E.140 is hereby amended to read as follows:

695E.140 1. A risk retention group seeking to be chartered in this State must obtain a certificate of authority pursuant to chapter 694C of NRS to transact liability insurance and, except as otherwise provided in this chapter, must comply with:

(a) All of the laws, regulations and requirements applicable to liability insurers in this State, unless otherwise approved by the Commissioner; and

(b) The provisions of NRS 695E.150 to 695E.210, inclusive, to the extent that those provisions do not limit or conflict with the provisions with which the group is required to comply pursuant to paragraph (a).

2. A risk retention group applying to be chartered in this State must submit to the Commissioner ~~in summary form:~~

~~—(a) The identities of:~~

~~—(1) All members of the group;~~

~~—(2) All organizers of the group;~~

~~—(3) Those persons who will provide administrative services to the group;~~

~~and~~

~~—(4) Any person who will influence or control the activities of the group;~~

- ~~—(b) The amount and nature of initial capitalization of the group;~~
- ~~—(c) The coverages to be offered by the group; and~~
- ~~—(d) Each state in which the group intends to operate.~~
- ~~3. Before it may transact insurance in any state, the risk retention group must submit to the Commissioner for approval by the Commissioner a plan of operation. The risk retention group shall submit an appropriate revision in the event of any subsequent material change in any item of the plan of operation within 10 days after the change. The group shall not offer any additional kinds of liability insurance, in this State or in any other state, until a revision of the plan is approved by the Commissioner.~~
- ~~4. A risk retention group chartered in this State must file with the Commissioner on or before February 1 of each year a statement containing information concerning the immediately preceding year, which must be:~~
 - ~~—(a) Submitted in a form prescribed by the National Association of Insurance Commissioners;~~
 - ~~—(b) Prepared in accordance with the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners and effective on January 1, 2001, and as amended by the National Association of Insurance Commissioners after that date; and~~
 - ~~—(c) Submitted on a diskette, if required by the Commissioner.~~
- ~~5. The Commissioner shall transmit to the National Association of Insurance Commissioners a copy of:~~
 - ~~—(a) All information submitted by a risk retention group to the Commissioner pursuant to subsections 2 and 4; and~~
 - ~~—(b) Any revisions to a plan of operation submitted to the Commissioner pursuant to subsection 3.~~
- ~~6.] an application for licensure as an association captive insurer in accordance with NRS 694C.210.~~

3. A risk retention group chartered in a state other than Nevada that is seeking to transact insurance as a risk retention group in this State must comply with the provisions of NRS 695E.150 to 695E.210, inclusive ~~{ }~~, **and section 308 of this act.**

Sec. 312. NRS 179.259 is hereby amended to read as follows:

179.259 1. Except as otherwise provided in subsections 3 , 4 and ~~{4,}~~ 5, 5 years after an eligible person completes a program for reentry, the court may order sealed all documents, papers and exhibits in the eligible person's record, minute book entries and entries on dockets, and other documents relating to the case in the custody of such other agencies and officers as are named in the court's order. The court may order those records sealed without a hearing unless the Division of Parole and Probation of the Department of Public Safety petitions the court, for good cause shown, not to seal the records and requests a hearing thereon.

2. If the court orders sealed the record of an eligible person, the court shall send a copy of the order to each agency or officer named in the order. Each

such agency or officer shall notify the court in writing of its compliance with the order.

3. A professional licensing board is entitled, for the purpose of determining suitability for a license or liability to discipline for misconduct, to inspect and to copy from a record sealed pursuant to this section.

4. ***The Division of Insurance of the Department of Business and Industry is entitled, for the purpose of determining suitability for a license or liability to discipline for misconduct, to inspect and to copy from a record sealed pursuant to this section.***

5. A person may not petition the court to seal records relating to a conviction of a crime against a child or a sexual offense.

~~5.~~ 6. As used in this section:

(a) "Crime against a child" has the meaning ascribed to it in NRS 179D.0357.

(b) "Eligible person" means a person who has:

(1) Successfully completed a program for reentry to which the person participated in pursuant to NRS 209.4886, 209.4888, 213.625 or 213.632; and

(2) Been convicted of a single offense which was punishable as a felony and which did not involve the use or threatened use of force or violence against the victim. For the purposes of this subparagraph, multiple convictions for an offense punishable as a felony shall be deemed to constitute a single offense if those offenses arose out of the same transaction or occurrence.

(c) "Program for reentry" means:

(1) A correctional program for reentry of offenders and parolees into the community that is established by the Director of the Department of Corrections pursuant to NRS 209.4887; or

(2) A judicial program for reentry of offenders and parolees into the community that is established in a judicial district pursuant to NRS 209.4883.

(d) "Sexual offense" has the meaning ascribed to it in paragraph (b) of subsection 7 of NRS 179.245.

Sec. 313. NRS 179.301 is hereby amended to read as follows:

179.301 1. The State Gaming Control Board and the Nevada Gaming Commission and their employees, agents and representatives may inquire into and inspect any records sealed pursuant to NRS 179.245 or 179.255, if the event or conviction was related to gaming, to determine the suitability or qualifications of any person to hold a state gaming license, manufacturer's, seller's or distributor's license or registration as a gaming employee pursuant to chapter 463 of NRS. Events and convictions, if any, which are the subject of an order sealing records:

(a) May form the basis for recommendation, denial or revocation of those licenses.

(b) Must not form the basis for denial or rejection of a gaming work permit unless the event or conviction relates to the applicant's suitability or qualifications to hold the work permit.

2. *The Division of Insurance of the Department of Business and Industry and its employees may inquire into and inspect any records sealed pursuant to NRS 179.245 or 179.255, if the event or conviction was related to insurance, to determine the suitability or qualifications of any person to hold a license, certification or authorization issued in accordance with title 57 of NRS. Events and convictions, if any, which are the subject of an order sealing records may form the basis for recommendation, denial or revocation of those licenses, certifications and authorizations.*

3. A prosecuting attorney may inquire into and inspect any records sealed pursuant to NRS 179.245 or 179.255 if:

(a) The records relate to a violation or alleged violation of NRS 202.575; and

(b) The person who is the subject of the records has been arrested or issued a citation for violating NRS 202.575.

~~{3-}~~ **4.** The Central Repository for Nevada Records of Criminal History and its employees may inquire into and inspect any records sealed pursuant to NRS 179.245 or 179.255 that constitute information relating to sexual offenses, and may notify employers of the information in accordance with NRS 179A.180 to 179A.240, inclusive.

~~{4-}~~ **5.** Records which have been sealed pursuant to NRS 179.245 or 179.255 and which are retained in the statewide registry established pursuant to NRS 179B.200 may be inspected pursuant to chapter 179B of NRS by an officer or employee of the Central Repository for Nevada Records of Criminal History or a law enforcement officer in the regular course of his or her duties.

~~{5-}~~ **6.** The State Board of Pardons Commissioners and its agents and representatives may inquire into and inspect any records sealed pursuant to NRS 179.245 or 179.255 if the person who is the subject of the records has applied for a pardon from the Board.

~~{6-}~~ **7.** As used in this section:

(a) “Information relating to sexual offenses” means information contained in or concerning a record relating in any way to a sexual offense.

(b) “Sexual offense” has the meaning ascribed to it in NRS 179A.073.

Sec. 314. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1A.110, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 130.312, 159.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419,

209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 242.105, 244.264, 244.335, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008, 386.655, 387.626, 387.631, 388.5275, 388.528, 388.5315, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 392.652, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885, 408.3886, 412.153, 416.070, 422.290, 422.305, 422A.320, 422A.350, 425.400, 427A.1236, 427A.872, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534, 433A.360, 439.270, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 453.1545, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 467.137, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.583, 584.655, 598.0964, 598.0979, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.353, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.212, 634.214, 634A.185, 635.158, 636.107, 637.085, 637A.315, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524, 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.280, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 710.159, 711.600, **and sections 38, 283, 284 and 285 of this act**, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law

to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 315. NRS 482.215 is hereby amended to read as follows:

482.215 1. All applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Except as otherwise provided in NRS 482.294, applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the Department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the Department and contain:

(a) The signature of the owner, except as otherwise provided in subsection 2 of NRS 482.294, if applicable.

(b) The owner's residential address.

(c) The owner's declaration of the county where he or she intends the vehicle to be based, unless the vehicle is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used,

and the last license number, if known, and the state in which it was issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the vehicle.

(e) Except as otherwise provided in this paragraph, if the applicant is not an owner of a fleet of vehicles or a person described in subsection 5:

(1) Proof satisfactory to the Department or registered dealer that the applicant carries insurance on the vehicle provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and

(2) A declaration signed by the applicant that he or she will maintain the insurance required by NRS 485.185 during the period of registration. If the application is submitted by electronic means pursuant to NRS 482.294, the applicant is not required to sign the declaration required by this subparagraph.

(f) If the applicant is an owner of a fleet of vehicles or a person described in subsection 5, evidence of insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185:

(1) In the form of a certificate of insurance on a form approved by the Commissioner of Insurance;

(2) In the form of a card issued pursuant to NRS 690B.023 **or in an electronic format allowed pursuant to that section**, which identifies the vehicle or the registered owner of the vehicle; or

(3) In another form satisfactory to the Department.

↪ The Department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as is required by the Department or registered dealer and must be accompanied by proof of ownership satisfactory to the Department.

5. For purposes of the evidence required by paragraph (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this State, may be declared as a fleet by the registered owner thereof on his or her original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of 10 or more vehicles based in this State or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his or her original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his or her certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file evidence of that insurance.

Sec. 316. NRS 485.034 is hereby amended to read as follows:

485.034 "Evidence of insurance" means:

1. The form , **or electronic format**, provided by an insurer pursuant to NRS 690B.023 as evidence of a contract of insurance for a motor vehicle liability policy; or

2. The certificate of self-insurance issued to a self-insurer by the Department pursuant to NRS 485.380.

Sec. 317. NRS 485.187 is hereby amended to read as follows:

485.187 1. Except as otherwise provided in subsection 5, the owner of a motor vehicle shall not:

(a) Operate the motor vehicle, if it is registered or required to be registered in this State, without having insurance as required by NRS 485.185.

(b) Operate or knowingly permit the operation of the motor vehicle without having evidence of insurance of the operator or the vehicle in the vehicle.

(c) Fail or refuse to surrender, upon demand, to a peace officer or to an authorized representative of the Department the evidence of insurance. ***The surrender, upon demand, of an evidence of insurance issued in electronic format does not constitute consent for a peace officer or authorized representative of the Department to access other contents of any device used to display the evidence of insurance and surrendered in compliance with this section.***

(d) Knowingly permit the operation of the motor vehicle in violation of subsection 3 of NRS 485.186.

2. A person shall not operate the motor vehicle of another person unless the person who will operate the motor vehicle:

(a) First ensures that the required evidence of insurance is present in the motor vehicle ~~or~~ **or available electronically**; or

(b) Has his or her own evidence of insurance which covers that person as the operator of the motor vehicle.

3. Except as otherwise provided in subsection 4, any person who violates subsection 1 or 2 is guilty of a misdemeanor. Except as otherwise provided in this subsection, in addition to any other penalty, a person sentenced pursuant to this subsection shall be punished by a fine of not less than \$600 nor more than \$1,000 for each violation. The fine must be reduced to \$100 for the first violation if the person obtains a motor vehicle liability policy by the time of sentencing, unless:

(a) The person has registered the vehicle as part of a fleet of vehicles pursuant to subsection 5 of NRS 482.215; or

(b) The person has been issued a certificate of self-insurance pursuant to NRS 485.380.

4. A court:

(a) Shall not find a person guilty or fine a person for a violation of paragraph (a), (b) or (c) of subsection 1 or for a violation of subsection 2 if the person presents evidence to the court that the insurance required by NRS 485.185 was in effect at the time demand was made for it.

(b) Except as otherwise provided in paragraph (a), may impose a fine of not more than \$1,000 for a violation of paragraph (a), (b) or (c) of subsection 1, and suspend the balance of the fine on the condition that the person presents proof to the court each month for 12 months that the insurance required by NRS 485.185 is currently in effect.

5. The provisions of paragraphs (b) and (c) of subsection 1 do not apply if the motor vehicle in question displays a valid permit issued by the Department pursuant to subsection 1 or 2 of NRS 482.3955, or NRS 482.396 or 482.3965 authorizing the movement or operation of that vehicle within the State for a limited time.

Sec. 318. NRS 616B.336 is hereby amended to read as follows:

616B.336 1. Each self-insured employer shall furnish ~~audited~~ financial statements ~~[, certified by an auditor licensed to do business in this State,]~~ **audited by an independent certified public accountant, or foreign equivalent,** to the Commissioner annually within 120 days after the expiration of the self-insured employer's fiscal year ~~[,]~~ **, or within such other timeframe as the Commissioner may allow.**

2. The Commissioner may examine the records and interview the employees of each self-insured employer as often as the Commissioner deems advisable to determine the adequacy of the deposit which the employer has made with the Commissioner, the sufficiency of reserves and the reporting, handling and processing of injuries or claims. The Commissioner shall examine the records for that purpose at least once every 3 years. The self-insured employer shall reimburse the Commissioner for the cost of the examination.

Sec. 319. NRS 682A.010, 682A.030, 682A.040, 682A.050, 682A.060, 682A.070, 682A.080, 682A.090, 682A.100, 682A.110, 682A.120, 682A.130, 682A.140, 682A.150, 682A.160, 682A.170, 682A.180, 682A.190, 682A.200, 682A.210, 682A.220, 682A.230, 682A.240, 682A.250, 682A.260, 682A.270, 682A.280, 682A.290, 689A.695, 689B.115 and 689C.250 are hereby repealed.

Sec. 320. This act becomes effective on July 1, 2015.

LEADLINES OF REPEALED SECTIONS

682A.010 Scope.

682A.030 General qualifications.

682A.040 Authorization and record of investments.

682A.050 Diversification.

682A.060 Public obligations.

682A.070 Obligations and stock of certain federal and international agencies.

- 682A.080 Corporate obligations.**
- 682A.090 Definitions; net earnings.**
- 682A.100 Preferred or guaranteed stock.**
- 682A.110 Common stocks.**
- 682A.120 Insurance stocks.**
- 682A.130 Stocks of subsidiaries.**
- 682A.140 Common trust funds; mutual funds.**
- 682A.150 Bankers' acceptances and bills of exchange.**
- 682A.160 Equipment trust obligations or certificates.**
- 682A.170 Loans secured by policy.**
- 682A.180 Collateral loans.**
- 682A.190 Savings and share accounts.**
- 682A.200 Miscellaneous investments; records.**
- 682A.210 Special accounts.**
- 682A.220 Special investments of title insurers.**
- 682A.230 Mortgages and deeds of trust.**
- 682A.240 Real property.**
- 682A.250 Time limited for disposal of real property.**
- 682A.260 Time limited for disposal of other ineligible property and securities.**
- 682A.270 Failure to dispose of real property, personal property or securities: Effect; penalty.**
- 682A.280 Prohibited investments and underwriting.**
- 682A.290 Investments of foreign insurers.**
- 689A.695 Information and documents to be made available to Commissioner; proprietary information.**
- 689B.115 Access by Commissioner to information concerning rates; confidentiality of information.**
- 689C.250 Information considered to be trade secret; exception.**

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywomen Carlton and Spiegel.

Potential conflict of interest declared by Assemblywoman Spiegel.

ASSEMBLYWOMAN CARLTON:

The amendment addresses wholly owned subsidiaries of a parent company. It amends section 233 to address the Insurance Commissioner's concerns in his omnibus bill.

ASSEMBLYWOMAN SPIEGEL:

Because we are considering Senate Bill 67, which includes some amendments to the statutes governing the Nevada Insurance Guaranty Association in NRS [*Nevada Revised Statutes*] Chapter 687A, I would like to disclose that my business is considering doing some work for the Association. Therefore, I am making this disclosure and abstaining from voting on anything to do with this bill out of an abundance of caution.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 95.

Bill read second time.

The following amendment was proposed by the Committee on Taxation:

Amendment No. 814.

AN ACT relating to property tax; revising provisions governing the publication of property tax rolls; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a county assessor is required to prepare and publish in a newspaper of general circulation in the county a list of all the taxpayers on the secured roll in the county and the total value of the property on which they pay taxes or print and deliver or mail such a list and valuations to each taxpayer in the county. (NRS 361.300) This bill requires a board of county commissioners to direct the county assessor to publish this list and valuations on an Internet website maintained by the county assessor or the county. This bill also requires a board of county commissioners to direct the county assessor in a county whose population is less than 100,000 (currently counties other than Clark and Washoe Counties) to make not fewer than 10 copies of this list and valuations available to the public free of charge.

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

Section 1. NRS 361.300 is hereby amended to read as follows:

361.300 1. On or before January 1 of each year, the county assessor shall transmit to the county clerk, post at the front door of the courthouse and publish in a newspaper published in the county a notice to the effect that the secured tax roll is completed and open for inspection by interested persons of the county. A notice issued pursuant to this subsection must include a statement that the secured tax roll is available for inspection as specified in paragraph (b) of subsection 3. The statement published in the newspaper must be displayed in the format used for advertisements and printed in at least 10-point bold type or font.

2. If the county assessor fails to complete the assessment roll in the manner and at the time specified in this section, the board of county commissioners shall not allow the county assessor a salary or other compensation for any day after January 1 during which the roll is not completed, unless excused by the board of county commissioners.

3. Except as otherwise provided in subsection 4, each board of county commissioners shall by resolution, before December 1 of any fiscal year in which assessment is made, require the county assessor to prepare a list of all the taxpayers on the secured roll in the county and the total valuation of property on which they severally pay taxes and direct the county assessor:

(a) To cause , *on or before January 1 of the fiscal year in which assessment is made*, such list and valuations to be:

(1) Printed and delivered by the county assessor or mailed by him or her ~~on or before January 1 of the fiscal year in which assessment is made~~ to each taxpayer in the county; ~~or~~

(2) Published once ~~on or before January 1 of the fiscal year in which assessment is made~~ in a newspaper of general circulation in the county; **or**

(3) Published on an Internet website that is maintained by the county assessor or, if the county assessor does not maintain an Internet website, on an Internet website that is maintained by the county; and

(b) To cause , **on or before January 1 of the fiscal year in which assessment is made**, such list and valuations to be:

(1) Posted in a public area of the public libraries and branch libraries located in the county;

(2) Posted at the office of the county assessor; and

(3) ~~Published~~ **If the list and valuations are printed and delivered or mailed pursuant to subparagraph (1) of paragraph (a) or published in a newspaper of general circulation pursuant to subparagraph (2) of paragraph (a), published** on an Internet website that is maintained by the county assessor or, if the county assessor does not maintain an Internet website, on an Internet website that is maintained by the county ~~or~~;

(c) In a county whose population is less than 100,000, to make not fewer than 10 copies of such list and valuations available to the public free of charge during normal business hours at the main administrative office of the county for at least 60 days after the date on which the list and valuations are made available to the public pursuant to paragraph (b); and

(d) If the county assessor publishes the list and valuations on an Internet website that is maintained by the county assessor or the county pursuant to subparagraph (3) of paragraph (a), to provide notice in a newspaper of general circulation in the county ~~on or before January 1 of the fiscal year in which assessment is made~~, four times each year which:

(1) Indicates that the list and valuations have been made available to the public on the Internet website maintained by the county assessor or the county;

(2) Provides the address of the Internet website on which the list and valuations may be accessed or retrieved; ~~and~~

(3) Is displayed in the format used for advertisements and printed in at least 10-point bold type or font ~~or~~;

(4) Provides an explanation of how property tax rates are determined;

(5) Provides an explanation of how property tax abatements are applied and how tax relief may be obtained;

(6) Provides information on how often assessed values change;

(7) Provides information on how to file an appeal to the county board of equalization and the State Board of Equalization;

(8) Provides the due dates for payments;

(9) Provides an explanation of exemptions and how to apply for an exemption; and

(10) Includes a statement of certification by the assessor that the roll is complete and accurate.

4. A board of county commissioners may, in the resolution required by subsection 3, authorize the county assessor not to deliver or mail the list, as provided in subparagraph (1) of paragraph (a) of subsection 3, to taxpayers whose property is assessed at \$1,000 or less and direct the county assessor to mail to each such taxpayer a statement of the amount of his or her assessment. Failure by a taxpayer to receive such a mailed statement does not invalidate any assessment.

5. The several boards of county commissioners in the State may allow the bill contracted with their approval by the county assessor under this section on a claim to be allowed and paid as are other claims against the county.

6. Whenever:

(a) Any property on the secured tax roll is appraised or reappraised pursuant to NRS 361.260, the county assessor shall, on or before December 18 of the fiscal year in which the appraisal or reappraisal is made, deliver or mail to each owner of such property a written notice stating the assessed valuation of the property as determined from the appraisal or reappraisal. A notice issued pursuant to this paragraph must include a statement that the secured tax roll ~~is~~ **will be** available for inspection **on or before January 1** as specified in paragraph (b) of subsection 3 ~~and subparagraph (3) of paragraph (a) of subsection 3, if applicable, and must specify the locations at which the secured tax roll will be available for inspection, including the address of the Internet website on which the secured tax role may be accessed or retrieved.~~ If such a statement is published in a newspaper, the statement must be displayed in the format used for advertisements and printed in at least 10-point bold type or font.

(b) Any personal property billed on the unsecured tax roll is appraised or reappraised pursuant to NRS 361.260, the delivery or mailing to the owner of such property of an individual tax bill or individual tax notice for the property shall be deemed to constitute adequate notice to the owner of the assessed valuation of the property as determined from the appraisal or reappraisal.

7. If the secured tax roll is changed pursuant to NRS 361.310, the county assessor shall mail an amended notice of assessed valuation to each affected taxpayer. The notice must include:

- (a) The information set forth in subsection 6 for the new assessed valuation.
- (b) The dates for appealing the new assessed valuation.

8. Failure by the taxpayer to receive a notice required by this section does not invalidate the appraisal or reappraisal.

9. In addition to complying with subsections 6 and 7, a county assessor shall:

(a) Provide without charge a copy of a notice of assessed valuation to the owner of the property upon request.

(b) Post the information included in a notice of assessed valuation on a website or other Internet site, if any, that is operated or administered by or on behalf of the county or the county assessor.

Sec. 1.5. Section 1 of this act is hereby amended to read as follows:

Section 1. NRS 361.300 is hereby amended to read as follows:

361.300 1. On or before January 1 of each year, the county assessor shall transmit to the county clerk, post at the front door of the courthouse and publish in a newspaper published in the county a notice to the effect that the secured tax roll is completed and open for inspection by interested persons of the county. A notice issued pursuant to this subsection must include a statement that the secured tax roll is available for inspection as specified in paragraph (b) of subsection 3. The statement published in the newspaper must be displayed in the format used for advertisements and printed in at least 10-point bold type or font.

2. If the county assessor fails to complete the assessment roll in the manner and at the time specified in this section, the board of county commissioners shall not allow the county assessor a salary or other compensation for any day after January 1 during which the roll is not completed, unless excused by the board of county commissioners.

3. Except as otherwise provided in subsection 4, each board of county commissioners shall by resolution, before December 1 of any fiscal year in which assessment is made, require the county assessor to prepare a list of all the taxpayers on the secured roll in the county and the total valuation of property on which they severally pay taxes and direct the county assessor:

(a) To cause, on or before January 1 of the fiscal year in which assessment is made, such list and valuations to be:

(1) Printed and delivered by the county assessor or mailed by him or her to each taxpayer in the county;

(2) Published once in a newspaper of general circulation in the county; or

(3) Published on an Internet website that is maintained by the county assessor or, if the county assessor does not maintain an Internet website, on an Internet website that is maintained by the county; and

(b) To cause, on or before January 1 of the fiscal year in which assessment is made, such list and valuations to be:

(1) Posted in a public area of the public libraries and branch libraries located in the county;

(2) Posted at the office of the county assessor; and

(3) If the list and valuations are printed and delivered or mailed pursuant to subparagraph (1) of paragraph (a) or published in a newspaper of general circulation pursuant to subparagraph (2) of paragraph (a), published on an Internet website that is maintained by the county assessor or, if the county assessor does not maintain an Internet website, on an Internet website that is maintained by the county;

(c) In a county whose population is less than 100,000, to make not fewer than 10 copies of such list and valuations available to the public free of charge during normal business hours at the main administrative office of the county for at least 60 days after the date on which the list and valuations are made available to the public pursuant to paragraph (b); and

(d) If the county assessor publishes the list and valuations on an Internet website that is maintained by the county assessor or the county pursuant to subparagraph (3) of paragraph (a), to provide notice in a newspaper of general circulation in the county ~~[four times each year]~~, **on or before January 1 of the fiscal year in which assessment is made,** which:

(1) Indicates that the list and valuations have been made available to the public on the Internet website maintained by the county assessor or the county;

(2) Provides the address of the Internet website on which the list and valuations may be accessed or retrieved; **and**

(3) Is displayed in the format used for advertisements and printed in at least 10-point bold type or font.

~~— (4) Provides an explanation of how property tax rates are determined;~~

~~— (5) Provides an explanation of how property tax abatements are applied and how tax relief may be obtained;~~

~~— (6) Provides information on how often assessed values change;~~

~~— (7) Provides information on how to file an appeal to the county board of equalization and the State Board of Equalization;~~

~~— (8) Provides the due dates for payments;~~

~~— (9) Provides an explanation of exemptions and how to apply for an exemption; and~~

~~— (10) Includes a statement of certification by the assessor that the roll is complete and accurate.]~~

4. A board of county commissioners may, in the resolution required by subsection 3, authorize the county assessor not to deliver or mail the list, as provided in subparagraph (1) of paragraph (a) of subsection 3, to taxpayers whose property is assessed at \$1,000 or less and direct the county assessor to mail to each such taxpayer a statement of the amount of his or her assessment. Failure by a taxpayer to receive such a mailed statement does not invalidate any assessment.

5. The several boards of county commissioners in the State may allow the bill contracted with their approval by the county assessor under this section on a claim to be allowed and paid as are other claims against the county.

6. Whenever:

(a) Any property on the secured tax roll is appraised or reappraised pursuant to NRS 361.260, the county assessor shall, on or before December 18 of the fiscal year in which the appraisal or reappraisal is

made, deliver or mail to each owner of such property a written notice stating the assessed valuation of the property as determined from the appraisal or reappraisal. A notice issued pursuant to this paragraph must include a statement that the secured tax roll will be available for inspection on or before January 1 as specified in paragraph (b) of subsection 3 and subparagraph (3) of paragraph (a) of subsection 3, if applicable, and must specify the locations at which the secured tax roll will be available for inspection, including the address of the Internet website on which the secured tax role may be accessed or retrieved. If such a statement is published in a newspaper, the statement must be displayed in the format used for advertisements and printed in at least 10-point bold type or font.

(b) Any personal property billed on the unsecured tax roll is appraised or reappraised pursuant to NRS 361.260, the delivery or mailing to the owner of such property of an individual tax bill or individual tax notice for the property shall be deemed to constitute adequate notice to the owner of the assessed valuation of the property as determined from the appraisal or reappraisal.

7. If the secured tax roll is changed pursuant to NRS 361.310, the county assessor shall mail an amended notice of assessed valuation to each affected taxpayer. The notice must include:

(a) The information set forth in subsection 6 for the new assessed valuation.

(b) The dates for appealing the new assessed valuation.

8. Failure by the taxpayer to receive a notice required by this section does not invalidate the appraisal or reappraisal.

9. In addition to complying with subsections 6 and 7, a county assessor shall:

(a) Provide without charge a copy of a notice of assessed valuation to the owner of the property upon request.

(b) Post the information included in a notice of assessed valuation on a website or other Internet site, if any, that is operated or administered by or on behalf of the county or the county assessor.

Sec. 2. ~~This~~

1. ~~This section and section 1 of this act becomes~~ become effective on July 1, 2015.

2. Section 1.5 of this act becomes effective on July 1, 2017.

Assemblyman Armstrong moved the adoption of the amendment.

Remarks by Assemblyman Armstrong.

ASSEMBLYMAN ARMSTRONG:

Amendment 814 to Senate Bill 95 requires a county who publishes its property tax roll on the Internet instead of in a newspaper to provide notice of that publication in a newspaper of general circulation four times each year. The notice must additionally contain other information relating to the assessment and taxation of property, as specified in the amendment.

The amendment specifies that this requirement to publish the notice in a newspaper four times per year exists only until July 1, 2017. After that date, a county that publishes its property tax roll on the Internet must only provide notice of that publication in a newspaper of general circulation on or before January 1, rather than four times per year.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 137.

Bill read second time.

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

Amendment No. 760.

AN ACT relating to insurance; designating a stand-alone dental benefit as the primary policy for certain dental care; prohibiting a health insurer from denying certain claims on the basis that another health insurer has liability to pay the claim; ~~prohibiting a health insurer from requiring that a claim be submitted directly to a secondary health insurer under certain circumstances; requiring~~ **authorizing** the Commissioner of Insurance to adopt certain regulations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Certain procedures performed by ~~dentists~~ **an oral and maxillofacial surgeon** may be covered by both stand-alone dental benefits and policies of health insurance. Existing law regulates policies of health insurance and stand-alone dental benefits separately, but provides for no coordination of claims between the two. (Chapters 686C, 689A, 689B, 689C, 695A, 695B, 695C and 695D of NRS) This bill defines a "stand-alone dental benefit" to mean any policy of insurance which only pays for or reimburses the costs of certain dental care and which is ~~not embedded in or included as part of~~ **offered or issued separately from** any other policy of health insurance. This bill also requires that for an insurance claim for a procedure provided by ~~a dentist~~ **an oral and maxillofacial surgeon** which may be covered by both the patient's stand-alone dental benefit and policy of health insurance, the stand-alone dental benefit must provide primary coverage. This bill also prohibits a health insurer from ~~[(1)]~~ denying certain claims for which it has liability on the basis that another health insurer has liability ~~[(1) or (2)]~~ **requiring a separate claim be filed with the other health insurer.** Finally, this bill ~~requires~~ **authorizes** the Commissioner of Insurance to adopt regulations necessary to carry out the provisions of this bill.

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

Section 1. Chapter 686A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The following provisions apply to a claim for payment submitted for services provided by ~~a dentist~~ an oral and maxillofacial surgeon which may

be covered, in whole or in part, by a stand-alone dental benefit and a policy of health insurance:

(a) If a claimant is covered by a stand-alone dental benefit and a policy of health insurance, the stand-alone dental benefit is the primary policy and the claim must be first submitted to the health insurer that issued the stand-alone dental benefit. The issuer of the secondary policy may not reduce benefits based upon payments under the primary policy, except to avoid overpayment to the ~~dentist~~ oral and maxillofacial surgeon.

(b) Except as otherwise provided in paragraph (a), a health insurer may not deny a claim for which it has liability solely on the basis that another health insurer has liability to pay the claim.

~~(c) A health insurer with partial liability for paying a claim may not require the claimant to file a separate claim directly with a secondary health insurer.~~

2. The Commissioner ~~shall~~ may adopt regulations necessary to carry out the provisions of this section.

3. As used in this section:

(a) ~~“Health insurer” means a person who is the holder of a certificate of authority issued pursuant to chapter 680A, 695C, 695D or 695F of NRS or a corporation that is the holder of a certificate of authority issued pursuant to chapter 695B of NRS.~~ “Oral and maxillofacial surgeon” means a dentist who has been issued a specialist’s license to practice oral and maxillofacial surgery pursuant to NRS 631.250 and who provides any of the services described in paragraph (c) of subsection 1 of NRS 631.215.

(b) “Stand-alone dental benefit” means any policy which only pays for or reimburses any part of the cost of dental care, as defined in NRS 695D.030 ~~“The term does not include such coverage embedded in or included as part of any other,”~~ and is offered or issued separately from any policy of health insurance.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 3.5. ~~“The Commissioner of Insurance shall, on or before January 1, 2016, adopt regulations to carry out the amendatory provisions of this act.”~~
(Deleted by amendment.)

Sec. 4. This act becomes effective:

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

2. On January 1, 2016, for all other purposes.

Assemblyman Kirner moved the adoption of the amendment.

Remarks by Assemblyman Kirner.

ASSEMBLYMAN KIRNER:

Amendment 760 changes the procedures required to be covered to those performed by oral and maxillofacial surgeons. It also specifies that a stand-alone dental benefit is one that is offered or

issued separately from any other policy of health insurance. Finally, the amendment allows the Commissioner of Insurance to adopt regulations to carry out the provisions of the bill.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 148.

Bill read second time.

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

Amendment No. 846.

AN ACT relating to child welfare; revising requirements concerning service of a summons to a hearing on a petition that a child is in need of protection; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a court to hold an adjudicatory hearing within 30 days of the filing of a petition that a child who was removed from his or her home is in need of protection. (NRS 432B.530) As a result of such a hearing, the court may return the child to the custody of his or her parent or guardian or place the child in the temporary custody of a relative, a fictive kin, another suitable person or certain public or private agencies or institutions. (NRS 432B.550) Before such a hearing, the court is required to issue a summons to the person who has custody or control of the child. If this person is not the parent or guardian of the child, the summons must also be issued to the parent or guardian of the child. If the person summoned resides in this State, the summons must be served personally. If the person cannot be found in this State or does not reside in this State, the summons must be served by registered or certified mail. If the child is a newborn and was delivered to a provider of emergency services and the location of the parent is unknown, the summons must be served by publication. (NRS 432B.520) Except when a newborn child is delivered to a provider of emergency services and the location of the parent is unknown, this bill requires the summons to be served personally. ~~It or by registered or certified mail, for by posting a written notice on the door of the residence of the person served,~~ regardless of whether the person resides within or outside of this State.

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

Section 1. NRS 432B.520 is hereby amended to read as follows:

432B.520 1. After a petition has been filed, the court shall direct the clerk to issue a summons requiring the person who has custody or control of the child to appear personally and bring the child before the court at a time and place stated in the summons. If the person so summoned is other than a parent or guardian of the child, then the parent or guardian, or both, must also be notified by a similar summons of the pendency of the hearing and of the time and place appointed.

2. Summons may be issued requiring the appearance of any other person whose presence, in the opinion of the court, is necessary.

3. Each summons must include notice of the right of parties to counsel at the adjudicatory hearing. A copy of the petition must be attached to each summons.

4. ~~If the:~~ **Except as provided in subsection 5, the summons must be served by:**

(a) ~~Person summoned resides in this state, the summons must be served personally;~~ **Personal service of a written notice; or**

(b) ~~Person summoned cannot be found within this state or does not reside in this state, the summons must be mailed by registered;~~ **Registered** or certified mail to the last known address of the person. ~~For~~

~~(c) Child **Posting a written notice on the door of the residence of the person.**~~

5. **If the child** was delivered to a provider of emergency services pursuant to NRS 432B.630 and the location of the parent is unknown, the summons must be served on the parent by publication at least once a week for 3 consecutive weeks in a newspaper published in the county and if no such newspaper is published, then a newspaper published in this state that has a general circulation in the county. The failure of the parent to appear in the action after the service of summons on the parent pursuant to this paragraph shall be deemed to constitute a waiver by the parent of any further notice of the proceedings that would otherwise be required pursuant to this chapter.

~~5.~~ 6. If it appears that the child is in such condition or surroundings that the welfare of the child requires that custody be immediately assumed by the court, the court may order, by endorsement upon the summons, that the person serving it shall at once deliver the child to an agency which provides child welfare services in whose custody the child must remain until the further order of the court.

~~6.~~ 7. If the summons cannot be served or the person who has custody or control of the child fails to obey it, or:

(a) In the judge's opinion, the service will be ineffectual or the welfare of the child requires that the child be brought forthwith into the custody of the court; or

(b) A person responsible for the child's welfare has absconded with the child or concealed the child from a representative of an agency which provides child welfare services,

the court may issue a writ for the attachment of the child's person, commanding a law enforcement officer or a representative of an agency which provides child welfare services to place the child in protective custody.

Sec. 2. NRS 432B.580 is hereby amended to read as follows:

432B.580 1. Except as otherwise provided in this section and NRS 432B.513, if a child is placed pursuant to NRS 432B.550 other than with a parent, the placement must be reviewed by the court at least semiannually, and within 90 days after a request by a party to any of the prior proceedings.

Unless the parent, guardian or the custodian objects to the referral, the court may enter an order directing that the placement be reviewed by a panel appointed pursuant to NRS 432B.585.

2. An agency acting as the custodian of the child shall, before any hearing for review of the placement of a child, submit a report to the court, or to the panel if it has been designated to review the matter, which includes:

(a) An evaluation of the progress of the child and the family of the child and any recommendations for further supervision, treatment or rehabilitation.

(b) Information concerning the placement of the child in relation to the child's siblings, including, without limitation:

(1) Whether the child was placed together with the siblings;

(2) Any efforts made by the agency to have the child placed together with the siblings;

(3) Any actions taken by the agency to ensure that the child has contact with the siblings; and

(4) If the child is not placed together with the siblings:

(I) The reasons why the child is not placed together with the siblings; and

(II) A plan for the child to visit the siblings, which must be approved by the court.

(c) A copy of an academic plan developed for the child pursuant to NRS 388.155, 388.165 or 388.205.

(d) A copy of any explanations regarding medication that has been prescribed for the child that have been submitted by a foster home pursuant to NRS 424.0383.

3. Except as otherwise provided in this subsection, a copy of the report submitted pursuant to subsection 2 must be given to the parents, the guardian ad litem and the attorney, if any, representing the parent or the child. If the child was delivered to a provider of emergency services pursuant to NRS 432B.630 and the parent has not appeared in the action, the report need not be sent to that parent.

4. After a plan for visitation between a child and the siblings of the child submitted pursuant to subparagraph (4) of paragraph (b) of subsection 2 has been approved by the court, the agency which provides child welfare services must request the court to issue an order requiring the visitation set forth in the plan for visitation. If a person refuses to comply with or disobeys an order issued pursuant to this subsection, the person may be punished as for a contempt of court.

5. The court or the panel shall hold a hearing to review the placement, unless the parent, guardian or custodian files a motion with the court to dispense with the hearing. If the motion is granted, the court or panel may make its determination from any report, statement or other information submitted to it.

6. Except as otherwise provided in this subsection and ~~paragraph (c) of~~ subsection ~~44~~ 5 of NRS 432B.520, notice of the hearing must be given by registered or certified mail to:

- (a) All the parties to any of the prior proceedings;
- (b) Any persons planning to adopt the child;
- (c) A sibling of the child, if known, who has been granted a right to visitation of the child pursuant to NRS 127.171 and his or her attorney, if any; and
- (d) Any other relatives of the child or providers of foster care who are currently providing care to the child.

7. The notice of the hearing required to be given pursuant to subsection 6:

- (a) Must include a statement indicating that if the child is placed for adoption the right to visitation of the child is subject to the provisions of NRS 127.171;
- (b) Must not include any confidential information described in NRS 127.140; and
- (c) Need not be given to a parent whose rights have been terminated pursuant to chapter 128 of NRS or who has voluntarily relinquished the child for adoption pursuant to NRS 127.040.

8. The court or panel may require the presence of the child at the hearing and shall provide to each person to whom notice was given pursuant to subsection 6 a right to be heard at the hearing.

9. The court or panel shall review:

- (a) The continuing necessity for and appropriateness of the placement;
- (b) The extent of compliance with the plan submitted pursuant to subsection 2 of NRS 432B.540;
- (c) Any progress which has been made in alleviating the problem which resulted in the placement of the child; and
- (d) The date the child may be returned to, and safely maintained in, the home or placed for adoption or under a legal guardianship.

10. The provision of notice and a right to be heard pursuant to this section does not cause any person planning to adopt the child, any sibling of the child or any other relative, any adoptive parent of a sibling of the child or a provider of foster care to become a party to the hearing.

Assemblyman Oscarson moved the adoption of the amendment.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

This amendment deletes the requirement that a written summons notice be posted on the door of the residence of the person served.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 153.

Bill read second time.

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

Amendment No. 723.

AN ACT relating to occupational diseases; revising the circumstances under which certain occupational diseases are conclusively presumed to arise out of and in the course of employment; **limiting the compensation to which a person is entitled to receive for certain occupational diseases;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that certain diseases of the lungs or heart contracted by certain police officers, firefighters or other employees are, for purposes of industrial insurance claims, conclusively presumed to be occupationally related if the employee has served a certain number of years in the profession before contracting the disease. (NRS 617.455, 617.457) **Sections 2 and 3** of this bill limit the period in which certain employees may claim these presumptions. **Sections 2 and 3 also provide that a person who files a claim for the disease after he or she retires from employment as a police officer, firefighter or arson investigator is not entitled to receive any compensation for that disease other than medical benefits.** **Sections 2.5 and 3.5** of this bill prevent certain persons who use tobacco products or fail to follow a physician's prescribed plan of care from claiming these presumptions.

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

Section 1. (Deleted by amendment.)

Sec. 1.5. NRS 617.454 is hereby amended to read as follows:

617.454 1. Any physical examination administered pursuant to NRS 617.455 or 617.457 must include:

- (a) A thorough test of the functioning of the hearing of the employee; and
- (b) A purified protein derivative skin test to screen for exposure to tuberculosis.

2. Except as otherwise provided in subsection ~~17~~ **8** of NRS 617.457, the tests required by this section must be paid for by the employer.

Sec. 2. NRS 617.455 is hereby amended to read as follows:

617.455 1. Notwithstanding any other provision of this chapter, diseases of the lungs, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by exposure to heat, smoke, fumes, tear gas or any other noxious gases, arising out of and in the course of the employment of a person who, for 2 years or more, has been:

- (a) Employed in this State in a full-time salaried occupation of fire fighting or the investigation of arson for the benefit or safety of the public;
- (b) Acting as a volunteer firefighter in this State and is entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145; or

(c) Employed in a full-time salaried occupation as a police officer in this State.

2. Except as otherwise provided in subsection 3, each employee who is to be covered for diseases of the lungs pursuant to the provisions of this section shall submit to a physical examination, including a thorough test of the functioning of his or her lungs and the making of an X-ray film of the employee's lungs, upon employment, upon commencement of the coverage, once every 2 years until the employee is 40 years of age or older and thereafter on an annual basis during his or her employment.

3. Each volunteer firefighter who is to be covered for diseases of the lungs pursuant to the provisions of this section shall submit to:

(a) A physical examination upon employment and upon commencement of the coverage; and

(b) The making of an X-ray film of the volunteer firefighter's lungs once every 3 years after the physical examination that is required upon commencement of the coverage,

↪ until the volunteer firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once every 2 years during his or her employment. As used in this subsection, "physical examination" includes the making of an X-ray film of the volunteer firefighter's lungs but excludes a thorough test of the functioning of his or her lungs.

4. All physical examinations required pursuant to subsections 2 and 3 must be paid for by the employer.

5. A disease of the lungs is conclusively presumed to have arisen out of and in the course of the employment of a person who has been employed in a full-time continuous, uninterrupted and salaried occupation as a police officer, firefighter or arson investigator for ~~5~~ 2 years or more before the date of disablement ~~if the disease is diagnosed and causes the disablement:~~

(a) During the course of that employment;

(b) If the person ceases employment before completing 20 years of service as a police officer, firefighter or arson investigator, during the period after separation from employment which is equal to the number of years worked; or

(c) If the person ceases employment after completing 20 years or more of service as a police officer, firefighter or arson investigator, at any time during the person's life.

↪ *Service credit which is purchased in a retirement system must not be calculated towards the years of service of a person for the purposes of this section.*

6. Failure to correct predisposing conditions which lead to lung disease when so ordered in writing by the examining physician after a physical examination required pursuant to subsection 2 or 3 excludes the employee from the benefits of this section if the correction is within the ability of the employee.

7. A person who is determined to be:

(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and

(b) Incapable of performing, with or without remuneration, work as a firefighter, police officer or arson investigator,

➡ may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.

8. A person who files a claim for a disease of the lungs specified in this section after he or she retires from employment as a police officer, firefighter or arson investigator is not entitled to receive any compensation for that disease other than medical benefits.

Sec. 2.5. NRS 617.455 is hereby amended to read as follows:

617.455 1. Notwithstanding any other provision of this chapter, diseases of the lungs, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by exposure to heat, smoke, fumes, tear gas or any other noxious gases, arising out of and in the course of the employment of a person who, for 2 years or more, has been:

(a) Employed in this State in a full-time salaried occupation of fire fighting or the investigation of arson for the benefit or safety of the public;

(b) Acting as a volunteer firefighter in this State and is entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145; or

(c) Employed in a full-time salaried occupation as a police officer in this State.

2. Except as otherwise provided in subsection 3, each employee who is to be covered for diseases of the lungs pursuant to the provisions of this section shall submit to a physical examination, including a thorough test of the functioning of his or her lungs and the making of an X-ray film of the employee's lungs, upon employment, upon commencement of the coverage, once every 2 years until the employee is 40 years of age or older and thereafter on an annual basis during his or her employment.

3. Each volunteer firefighter who is to be covered for diseases of the lungs pursuant to the provisions of this section shall submit to:

(a) A physical examination upon employment and upon commencement of the coverage; and

(b) The making of an X-ray film of the volunteer firefighter's lungs once every 3 years after the physical examination that is required upon commencement of the coverage,

➡ until the volunteer firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once every 2 years during his or her employment. As used in this subsection, "physical examination" includes the making of an X-ray film of the volunteer firefighter's lungs but excludes a thorough test of the functioning of his or her lungs.

4. All physical examinations required pursuant to subsections 2 and 3 must be paid for by the employer.

5. A disease of the lungs is conclusively presumed to have arisen out of and in the course of the employment of a person who has been employed in a full-time continuous, uninterrupted and salaried occupation as a police officer, firefighter or arson investigator for 2 years or more before the date of disablement if the disease is diagnosed and causes the disablement:

(a) During the course of that employment;

(b) If the person ceases employment before completing 20 years of service as a police officer, firefighter or arson investigator, during the period after separation from employment which is equal to the number of years worked; or

(c) If the person ceases employment after completing 20 years or more of service as a police officer, firefighter or arson investigator, at any time during the person's life.

↪ Service credit which is purchased in a retirement system must not be calculated towards the years of service of a person for the purposes of this section.

6. ***Frequent or regular use of a tobacco product within 1 year, or a material departure from a physician's prescribed plan of care by a person within 3 months, immediately preceding the filing of a claim for compensation excludes a person who has separated from service from the benefit of the conclusive presumption provided in subsection 5.***

7. Failure to correct predisposing conditions which lead to lung disease when so ordered in writing by the examining physician after a physical examination required pursuant to subsection 2 or 3 excludes the employee from the benefits of this section if the correction is within the ability of the employee.

~~{7-}~~ 8. A person who is determined to be:

(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and

(b) Incapable of performing, with or without remuneration, work as a firefighter, police officer or arson investigator,

↪ may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.

~~{8-}~~ 9. A person who files a claim for a disease of the lungs specified in this section after he or she retires from employment as a police officer, firefighter or arson investigator is not entitled to receive any compensation for that disease other than medical benefits.

Sec. 3. NRS 617.457 is hereby amended to read as follows:

617.457 1. Notwithstanding any other provision of this chapter, diseases of the heart of a person who, for ~~{5-}~~ 2 years or more, has been employed in a full-time continuous, uninterrupted and salaried occupation as a firefighter, arson investigator or police officer in this State before the date of disablement are conclusively presumed to have arisen out of and in the course of the employment ~~{-}~~ ***if the disease is diagnosed and causes the disablement:***

(a) During the course of that employment;

(b) If the person ceases employment before completing 20 years of service as a police officer, firefighter or arson investigator, during the period after separation from employment which is equal to the number of years worked; or

(c) If the person ceases employment after completing 20 years or more of service as a police officer, firefighter or arson investigator, at any time during the person's life.

↪ Service credit which is purchased in a retirement system must not be calculated towards the years of service of a person for the purposes of this section.

2. Notwithstanding any other provision of this chapter, diseases of the heart, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by extreme overexertion in times of stress or danger and a causal relationship can be shown by competent evidence that the disability or death arose out of and was caused by the performance of duties as a volunteer firefighter by a person entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145 and who, for 5 years or more, has served continuously as a volunteer firefighter in this State by continuously maintaining an active status on the roster of a volunteer fire department.

3. Except as otherwise provided in subsection 4, each employee who is to be covered for diseases of the heart pursuant to the provisions of this section shall submit to a physical examination, including an examination of the heart, upon employment, upon commencement of coverage and thereafter on an annual basis during his or her employment.

4. During the period in which a volunteer firefighter is continuously on active status on the roster of a volunteer fire department, a physical examination for the volunteer firefighter is required:

(a) Upon employment;

(b) Upon commencement of coverage; and

(c) Once every 3 years after the physical examination that is required pursuant to paragraph (b),

↪ until the firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once every 2 years during his or her employment.

5. The employer of the volunteer firefighter is responsible for scheduling the physical examination. The employer shall mail to the volunteer firefighter a written notice of the date, time and place of the physical examination at least 10 days before the date of the physical examination and shall obtain, at the time of mailing, a certificate of mailing issued by the United States Postal Service.

6. Failure to submit to a physical examination that is scheduled by his or her employer pursuant to subsection 5 excludes the volunteer firefighter from the benefits of this section.

7. The chief of a volunteer fire department may require an applicant to pay for any physical examination required pursuant to this section if the applicant:

(a) Applies to the department for the first time as a volunteer firefighter; and

(b) Is 50 years of age or older on the date of his or her application.

8. The volunteer fire department shall reimburse an applicant for the cost of a physical examination required pursuant to this section if the applicant:

(a) Paid for the physical examination in accordance with subsection 7;

(b) Is declared physically fit to perform the duties required of a firefighter; and

(c) Becomes a volunteer with the volunteer fire department.

9. Except as otherwise provided in subsection 7, all physical examinations required pursuant to subsections 3 and 4 must be paid for by the employer.

10. Failure to correct predisposing conditions which lead to heart disease when so ordered in writing by the examining physician subsequent to a physical examination required pursuant to subsection 3 or 4 excludes the employee from the benefits of this section if the correction is within the ability of the employee.

11. A person who is determined to be:

(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and

(b) Incapable of performing, with or without remuneration, work as a firefighter, arson investigator or police officer,

↪ may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.

12. Claims filed under this section may be reopened at any time during the life of the claimant for further examination and treatment of the claimant upon certification by a physician of a change of circumstances related to the occupational disease which would warrant an increase or rearrangement of compensation.

13. A person who files a claim for a disease of the heart specified in this section after he or she retires from employment as a firefighter, arson investigator or police officer is not entitled to receive any compensation for that disease other than medical benefits.

Sec. 3.5. NRS 617.457 is hereby amended to read as follows:

617.457 1. Notwithstanding any other provision of this chapter, diseases of the heart of a person who, for 2 years or more, has been employed in a full-time continuous, uninterrupted and salaried occupation as a firefighter, arson investigator or police officer in this State before the date of disablement are conclusively presumed to have arisen out of and in the course of the employment if the disease is diagnosed and causes the disablement:

(a) During the course of that employment;

(b) If the person ceases employment before completing 20 years of service as a police officer, firefighter or arson investigator, during the period after separation from employment which is equal to the number of years worked; or

(c) If the person ceases employment after completing 20 years or more of service as a police officer, firefighter or arson investigator, at any time during the person's life.

➔ Service credit which is purchased in a retirement system must not be calculated towards the years of service of a person for the purposes of this section.

2. *Frequent or regular use of a tobacco product within 1 year, or a material departure from a physician's prescribed plan of care by a person within 3 months, immediately preceding the filing of a claim for compensation excludes a person who has separated from service from the benefit of the conclusive presumption provided in subsection 1.*

3. Notwithstanding any other provision of this chapter, diseases of the heart, resulting in either temporary or permanent disability or death, are occupational diseases and compensable as such under the provisions of this chapter if caused by extreme overexertion in times of stress or danger and a causal relationship can be shown by competent evidence that the disability or death arose out of and was caused by the performance of duties as a volunteer firefighter by a person entitled to the benefits of chapters 616A to 616D, inclusive, of NRS pursuant to the provisions of NRS 616A.145 and who, for 5 years or more, has served continuously as a volunteer firefighter in this State by continuously maintaining an active status on the roster of a volunteer fire department.

~~{3-}~~ **4.** Except as otherwise provided in subsection ~~{4-}~~ 5, each employee who is to be covered for diseases of the heart pursuant to the provisions of this section shall submit to a physical examination, including an examination of the heart, upon employment, upon commencement of coverage and thereafter on an annual basis during his or her employment.

~~{4-}~~ **5.** During the period in which a volunteer firefighter is continuously on active status on the roster of a volunteer fire department, a physical examination for the volunteer firefighter is required:

(a) Upon employment;

(b) Upon commencement of coverage; and

(c) Once every 3 years after the physical examination that is required pursuant to paragraph (b),

➔ until the firefighter reaches the age of 50 years. Each volunteer firefighter who is 50 years of age or older shall submit to a physical examination once every 2 years during his or her employment.

~~{5-}~~ **6.** The employer of the volunteer firefighter is responsible for scheduling the physical examination. The employer shall mail to the volunteer firefighter a written notice of the date, time and place of the physical examination at least 10 days before the date of the physical examination and

shall obtain, at the time of mailing, a certificate of mailing issued by the United States Postal Service.

~~{6-}~~ 7. Failure to submit to a physical examination that is scheduled by his or her employer pursuant to subsection ~~{5-}~~ 6 excludes the volunteer firefighter from the benefits of this section.

~~{7-}~~ 8. The chief of a volunteer fire department may require an applicant to pay for any physical examination required pursuant to this section if the applicant:

(a) Applies to the department for the first time as a volunteer firefighter; and

(b) Is 50 years of age or older on the date of his or her application.

~~{8-}~~ 9. The volunteer fire department shall reimburse an applicant for the cost of a physical examination required pursuant to this section if the applicant:

(a) Paid for the physical examination in accordance with subsection ~~{7-}~~ 8;

(b) Is declared physically fit to perform the duties required of a firefighter; and

(c) Becomes a volunteer with the volunteer fire department.

~~{9-}~~ 10. Except as otherwise provided in subsection ~~{7-}~~ 8, all physical examinations required pursuant to subsections ~~{3-}~~ 4 and ~~{4-}~~ 5 must be paid for by the employer.

~~{10-}~~ 11. Failure to correct predisposing conditions which lead to heart disease when so ordered in writing by the examining physician subsequent to a physical examination required pursuant to subsection ~~{3-}~~ 4 or ~~{4-}~~ 5 excludes the employee from the benefits of this section if the correction is within the ability of the employee.

~~{11-}~~ 12. A person who is determined to be:

(a) Partially disabled from an occupational disease pursuant to the provisions of this section; and

(b) Incapable of performing, with or without remuneration, work as a firefighter, arson investigator or police officer,

➔ may elect to receive the benefits provided under NRS 616C.440 for a permanent total disability.

~~{12-}~~ 13. Claims filed under this section may be reopened at any time during the life of the claimant for further examination and treatment of the claimant upon certification by a physician of a change of circumstances related to the occupational disease which would warrant an increase or rearrangement of compensation.

~~{13-}~~ 14. A person who files a claim for a disease of the heart specified in this section after he or she retires from employment as a firefighter, arson investigator or police officer is not entitled to receive any compensation for that disease other than medical benefits.

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. The amendatory provisions of this act:

1. Apply only to disablement which occurs on or after the effective date of this section; and

2. Do not apply to any person who, on the effective date of this section, has completed at least 20 years of creditable service, not including any service credit purchased in a retirement system, as a police officer, firefighter, volunteer firefighter or arson investigator in this State.

Sec. 7. 1. This section and sections 2, 3 and 6 of this act become effective upon passage and approval.

2. Sections 1.5, 2.5 and 3.5 of this act become effective on January 1, 2017.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 723 to Senate Bill 153 provides that a person who files a claim for an occupational disease after he or she retires from employment as a police officer, firefighter, or arson investigator is not entitled to receive any compensation for that disease other than medical benefits.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 175.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 854.

AN ACT relating to public safety; revising provisions governing justifiable homicide; **authorizing the possession of a firearm in a motor vehicle that is on the property of certain educational entities or child care facilities in certain circumstances**; prohibiting a person convicted in this State or any other state of a misdemeanor crime of domestic violence from owning or having in his or her possession or under his or her custody or control any firearm; **authorizing a person who holds a permit to carry a concealed firearm to do so on the property of the Nevada System of Higher Education under certain circumstances**; requiring the Department of Public Safety to make certain determinations before issuing a list of states for purposes of reciprocity; prohibiting a person against whom an extended order for protection against domestic violence is issued from subsequently purchasing or otherwise acquiring any firearm during the period the extended order is in effect; revising provisions governing civil liability in actions involving the use of force; expanding the rights and powers reserved for the Legislature relating to the regulation of firearms and ammunition; requiring the governing bodies of certain political subdivisions of this State to repeal certain ordinances and regulations; authorizing a person adversely affected by the enforcement of such an ordinance or regulation to seek declarative and injunctive relief and damages; providing that such a person is entitled to certain damages; deleting certain provisions relating to the registration of firearms

capable of being concealed; revising the applicability of certain provisions pertaining to the regulation of firearms by local governments; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that justifiable homicide is the killing of a human being in necessary self-defense, or in defense of habitation, property or person against a person who manifestly intends or endeavors to commit a felony or to enter the habitation of another for the purpose of assaulting a person who is in the habitation. (NRS 200.120) **Section 1** of this bill revises the definition of “justifiable homicide” to include specifically the killing of a person in defense of an occupied motor vehicle or in defense against any person who manifestly intends and endeavors to enter the occupied motor vehicle of another for the purpose of assaulting a person who is in the motor vehicle.

Existing law also provides that a killing is justifiable if the circumstances were sufficient to excite the fears of a reasonable person and the person killing really acted under the influence of those fears and not in a spirit of revenge. (NRS 200.130) **Section 2** of this bill establishes a rebuttable presumption that a killing is justifiable under the standard set forth in NRS 200.130 if the person killing: (1) knew or reasonably believed that the person who was killed was entering unlawfully and with force, or attempting to enter unlawfully and with force, the habitation or property of another; (2) knew or reasonably believed that the person who was killed was committing or attempting to commit a crime of violence; and (3) did not provoke the person who was killed.

Existing law prohibits a person from carrying a concealed firearm while on the property of the Nevada System of Higher Education, a private or public school or a child care facility, unless the person holds a permit to carry a concealed firearm and has written permission from the president of a branch or facility of the System, the principal of the school or the person designated by the child care facility to give permission to carry or possess a weapon to carry the concealed firearm. (NRS 202.265, 202.3673) Sections 2.5 and 3.5 of this bill authorize a person who holds such a permit to carry a concealed firearm while on the property of the System.

Existing law generally makes it a gross misdemeanor to carry or possess certain weapons while on the property of the Nevada System of Higher Education, a private or public school or a child care facility, or while in a vehicle of a private or public school or a child care facility except in certain circumstances. (NRS 202.265) Section 2.5 of this bill adds an exception so that a person who holds a permit to carry a concealed firearm is not prohibited from possessing a firearm capable of being concealed upon the person on the property of the Nevada System of Higher Education, a private or public school or a child care facility, if the firearm remains out of public view and if the firearm is: (1) inside a motor vehicle that is occupied or, if the motor vehicle is unoccupied, the motor vehicle is locked; or (2) stored in a locked container that is affixed securely to the motor vehicle.

Existing law prohibits certain persons from owning or having in their possession or under their custody or control any firearm. A person who violates such a provision is guilty of a category B felony. (NRS 202.360) **Section 3** of this bill adds to such a list of persons a person who has been convicted in this State or any other state of a misdemeanor crime of domestic violence as defined in federal law.

Existing law authorizes a court to issue an extended order for protection against domestic violence. (NRS 33.030) **Section 5** of this bill provides that if such an extended order is issued, the adverse party is prohibited from purchasing or otherwise acquiring any firearm during the period that the extended order is in effect. A person who violates such a provision is guilty of a category B felony.

Existing law provides that in a civil action brought by or on behalf of a person against whom force which is intended or likely to cause death or bodily injury was used: (1) there is a presumption that the person who used such force had a reasonable fear of imminent death or bodily injury to himself or herself or another person if the person against whom such force was used was committing burglary or invasion of the home; and (2) that presumption must be overcome by clear and convincing evidence to the contrary for the civil action to be maintained. (NRS 41.095) **Section 7** of this bill extends that presumption to circumstances in which the person who used such force was in his or her motor vehicle and the other person was committing grand larceny of the motor vehicle with the use or threatened use of a deadly weapon. **Section 7** also enacts a provision, based upon Texas law, which provides that a person is immune to civil liability for using force which is intended or likely to cause death or bodily injury if the person was justified in using such force under the applicable provisions of Nevada criminal law. (Texas Civil Practice and Remedies Code 83.001)

Existing law requires the Department of Public Safety to prepare annually a list of states that have: (1) requirements for the issuance of a permit to carry a concealed firearm that are substantially similar to or more stringent than the requirements set forth in this State; and (2) an electronic database which identifies each individual who possesses a valid permit to carry a concealed firearm by that state and which a law enforcement officer in this State may access at all times. Additionally, a state may only be included in the list if the Nevada Sheriffs' and Chiefs' Association agrees with the Department's inclusion of the state. (NRS 202.3689) Existing law also authorizes a person who possesses a permit to carry a concealed firearm that was issued by a state included in the list to carry a concealed firearm in this State in accordance with the laws of this State unless the person: (1) becomes a resident of this State; and (2) has not been issued a permit from the sheriff of the county in which he or she resides within 60 days after becoming a resident of this State. (NRS 202.3688) **Section 4.5** of this bill : (1) requires the Department to determine whether each state requires a person to complete any training, class or program for purposes of preparing the list ~~1.1~~ ; and (2) removes the

requirement that the Nevada Sheriffs' and Chiefs' Association must agree with the Department's inclusion of a state in the list.

Existing law provides that, except as otherwise provided by specific statute, the Legislature reserves for itself such rights and powers as are necessary to regulate the transfer, sale, purchase, possession, ownership, transportation, registration and licensing of firearms and ammunition in this State, and further provides that no county, city or town may infringe upon those rights and powers. (NRS 244.364, 268.418, 269.222) **Sections 8-10** of this bill expand such rights and powers of the Legislature to include those necessary to: (1) regulate the carrying and storage of firearms, firearm accessories and ammunition; and (2) define all such terms. **Sections 8-10** provide that certain ordinances or regulations which are inconsistent with these rights and powers of the Legislature are null and void and require the governing bodies of certain political subdivisions of this State to repeal any such ordinance or regulation. **Sections 8-10** also authorize any person who is adversely affected by the enforcement of any such ordinance or regulation on or after ~~October 1, 2015,~~ **the effective date of this bill** to file suit in the appropriate court for declarative and injunctive relief and damages. Such a person is entitled to certain damages depending on whether and when the relevant governing body of a political subdivision repeals such an ordinance or a regulation.

Existing law also requires certain political subdivisions of this State in a county whose population is 700,000 or more (currently Clark County), which adopted ordinances or regulations before June 13, 1989, that require the registration of firearms capable of being concealed, to make certain amendments to such registration provisions. (NRS 244.364, 268.418, 269.222) **Sections 8-10** additionally delete the provisions requiring certain political subdivisions of this State to make such amendments.

Assembly Bill No. 147 of the 1989 Legislative Session (A.B. 147) reserved for the Legislature the rights and powers necessary to regulate the transfer, sale, purchase, possession, ownership, transportation, registration and licensing of firearms and ammunition in this State. (Chapter 308, Statutes of Nevada 1989, p. 652) However, section 5 of A.B. 147 provided that the preemptive effect of the bill applied only to ordinances or regulations adopted by certain political subdivisions on or after June 13, 1989. **Section 11** of this bill amends section 5 of A.B. 147 to include and preempt ordinances or regulations adopted by certain political subdivisions before June 13, 1989.

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

Section 1. NRS 200.120 is hereby amended to read as follows:

200.120 1. Justifiable homicide is the killing of a human being in necessary self-defense, or in defense of **an occupied** habitation, ~~property,~~ **an occupied motor vehicle** or a person, against one who manifestly intends or endeavors ~~[, by violence or surprise,]~~ to commit a ~~[felony,]~~ **crime of violence**, or against any person or persons who manifestly intend and endeavor, in a

violent, riotous, tumultuous or surreptitious manner, to enter the **occupied** habitation **or occupied motor vehicle**, of another for the purpose of assaulting or offering personal violence to any person dwelling or being therein.

2. A person is not required to retreat before using deadly force as provided in subsection 1 if the person:

- (a) Is not the original aggressor;
- (b) Has a right to be present at the location where deadly force is used; and
- (c) Is not actively engaged in conduct in furtherance of criminal activity at the time deadly force is used.

3. **As used in this section:**

(a) ***“Crime of violence” means any felony for which there is a substantial risk that force or violence may be used against the person or property of another in the commission of the felony.***

(b) ***“Motor vehicle” means every vehicle which is self-propelled.***

Sec. 2. NRS 200.130 is hereby amended to read as follows:

200.130 **1.** A bare fear of any of the offenses mentioned in NRS 200.120, to prevent which the homicide is alleged to have been committed, ~~shall not be~~ **is not** sufficient to justify the killing. It must appear that the circumstances were sufficient to excite the fears of a reasonable person and that the ~~party~~ **person** killing really acted under the influence of those fears and not in a spirit of revenge.

2. *There is a rebuttable presumption that the circumstances were sufficient to excite the fears of a reasonable person and that the person killing really acted under the influence of those fears and not in a spirit of revenge if the person killing:*

(a) ***Knew or reasonably believed that the person who was killed was entering unlawfully and with force, or attempting to enter unlawfully and with force, the occupied habitation or occupied motor vehicle, of another;***

(b) ***Knew or reasonably believed that the person who was killed was committing or attempting to commit a crime of violence; and***

(c) ***Did not provoke the person who was killed.***

3. **As used in this section:**

(a) ***“Crime of violence” means any felony for which there is a substantial risk that force or violence may be used against the person or property of another in the commission of the felony.***

(b) ***“Motor vehicle” means every vehicle which is self-propelled.***

Sec. 2.5. NRS 202.265 is hereby amended to read as follows:

202.265 **1.** Except as otherwise provided in this section, a person shall not carry or possess while on the property of the Nevada System of Higher Education, a private or public school or a child care facility, or while in a vehicle of a private or public school or a child care facility:

- (a) An explosive or incendiary device;
- (b) A dirk, dagger or switchblade knife;
- (c) A nunchaku or trefoil;
- (d) A blackjack or billy club or metal knuckles;

(e) A pistol, revolver or other firearm; or
 (f) Any device used to mark any part of a person with paint or any other substance.

2. Any person who violates subsection 1 is guilty of a gross misdemeanor.

3. This section does not prohibit the possession of a weapon listed in subsection 1 **while** on the property of:

(a) ~~1A1~~ **The Nevada System of Higher Education, a** private or public school or **a** child care facility by a:

(1) Peace officer;

(2) School security guard; or

(3) Person having written permission from the president of a branch or facility of the Nevada System of Higher Education or the principal of the school or the person designated by a child care facility to give permission to carry or possess the weapon.

(b) A child care facility which is located at or in the home of a natural person by the person who owns or operates the facility so long as the person resides in the home and the person complies with any laws governing the possession of such a weapon.

4. **This section does not prohibit the possession of a firearm capable of being concealed upon the person by a person who is authorized to carry a concealed firearm pursuant to the provisions of NRS 202.3653 to 202.369, inclusive, if:**

(a) The person is carrying upon his or her person a concealed firearm on the property of the Nevada System of Higher Education; or

(b) The motor vehicle that is or was being operated by the person or in which the person is or was a passenger is located on the property of the Nevada System of Higher Education, a private or public school or a child care facility, the firearm remains out of common observation, and the firearm is:

(1) Inside a motor vehicle, other than a school bus, that is:

(I) Occupied; or

(II) Unoccupied and locked; or

(2) Stored in a locked container that is affixed securely to a motor vehicle, other than a school bus.

5. The provisions of this section apply to a child care facility located at or in the home of a natural person only during the normal hours of business of the facility.

~~5.1~~ 6. For the purposes of this section:

(a) “Child care facility” means any child care facility that is licensed pursuant to chapter 432A of NRS or licensed by a city or county.

(b) “Firearm” includes any device from which a metallic projectile, including any ball bearing or pellet, may be expelled by means of spring, gas, air or other force.

(c) “Nunchaku” has the meaning ascribed to it in NRS 202.350.

(d) **“School bus” has the meaning ascribed to it in NRS 484A.230.**

~~(e)~~ “Switchblade knife” has the meaning ascribed to it in NRS 202.350.

~~(e)-(f)~~ (f) “Trefoil” has the meaning ascribed to it in NRS 202.350.

~~(f)~~ “Vehicle” has the meaning ascribed to “school bus” in NRS 484A.230.

Sec. 3. NRS 202.360 is hereby amended to read as follows:

202.360 1. A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:

(a) ***Has been convicted in this State or any other state of a misdemeanor crime of domestic violence as defined in 18 U.S.C. 921(a)(33);***

(b) Has been convicted of a felony in this **State** or any other state, or in any political subdivision thereof, or of a felony in violation of the laws of the United States of America, unless the person has received a pardon and the pardon does not restrict his or her right to bear arms;

~~(b)~~ (c) Is a fugitive from justice; or

~~(c)~~ (d) Is an unlawful user of, or addicted to, any controlled substance.

↪ A person who violates the provisions of this subsection 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, and may be further punished by a fine of not more than \$5,000.

2. A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:

(a) Has been adjudicated as mentally ill or has been committed to any mental health facility; or

(b) Is illegally or unlawfully in the United States.

↪ A person who violates the provisions of this subsection is guilty of a category D felony and shall be punished as provided in NRS 193.130.

3. As used in this section:

(a) “Controlled substance” has the meaning ascribed to it in 21 U.S.C. § 802(6).

(b) “Firearm” includes any firearm that is loaded or unloaded and operable or inoperable.

Sec. 3.5. NRS 202.3673 is hereby amended to read as follows:

202.3673 1. Except as otherwise provided in subsections 2 and 3, a permittee may carry a concealed firearm while the permittee is on the premises of any public building.

2. A permittee shall not carry a concealed firearm while the permittee is on the premises of a public building that is located on the property of a public airport.

3. A permittee shall not carry a concealed firearm while the permittee is on the premises of:

(a) A public building that is located on the property of a public school or a child care facility ~~, for the property of the Nevada System of Higher Education,~~ unless the permittee has obtained written permission to carry a concealed firearm while he or she is on the premises of the public building pursuant to subparagraph (3) of paragraph (a) of subsection 3 of NRS 202.265.
If a public school or a child care facility is located on the property of the

Nevada System of Higher Education, this paragraph must be construed to prohibit only the carrying of a concealed firearm in that portion of a public building and on that portion of the property of the Nevada System of Higher Education that is occupied by the public school or child care facility, assuming that the permittee has not obtained written permission to carry a concealed firearm while he or she is on the premises of the public building pursuant to subparagraph (3) of paragraph (a) of subsection 3 of NRS 202.265 from the principal of the public school or the person designated by the child care facility to give such permission.

(b) A public building that has a metal detector at each public entrance or a sign posted at each public entrance indicating that no firearms are allowed in the building, unless the permittee is not prohibited from carrying a concealed firearm while he or she is on the premises of the public building pursuant to subsection 4.

4. The provisions of paragraph (b) of subsection 3 do not prohibit:

(a) A permittee who is a judge from carrying a concealed firearm in the courthouse or courtroom in which the judge presides or from authorizing a permittee to carry a concealed firearm while in the courtroom of the judge and while traveling to and from the courtroom of the judge.

(b) A permittee who is a prosecuting attorney of an agency or political subdivision of the United States or of this State from carrying a concealed firearm while he or she is on the premises of a public building.

(c) A permittee who is employed in the public building from carrying a concealed firearm while he or she is on the premises of the public building.

(d) A permittee from carrying a concealed firearm while he or she is on the premises of the public building if the permittee has received written permission from the person in control of the public building to carry a concealed firearm while the permittee is on the premises of the public building.

5. A person who violates subsection 2 or 3 is guilty of a misdemeanor.

6. As used in this section:

(a) “Child care facility” has the meaning ascribed to it in paragraph (a) of subsection ~~5~~ 6 of NRS 202.265. *If only part of the building is occupied by a child care facility, the term means only that portion of the building which is so occupied.*

(b) “Public building” means any building or office space occupied by:

(1) Any component of the Nevada System of Higher Education and used for any purpose related to the System; or

(2) The Federal Government, the State of Nevada or any county, city, school district or other political subdivision of the State of Nevada and used for any public purpose.

➤ If only part of the building is occupied by an entity described in this ~~subsection~~ *paragraph*, the term means only that portion of the building which is so occupied.

Sec. 4. NRS 202.3688 is hereby amended to read as follows:

202.3688 1. Except as otherwise provided in subsection 2, a person who possesses a permit to carry a concealed firearm that was issued by a state included in the list prepared pursuant to NRS 202.3689 may carry a concealed firearm in this State in accordance with the requirements set forth in NRS 202.3653 to 202.369, inclusive.

2. A person who possesses a permit to carry a concealed firearm that was issued by a state included in the list prepared pursuant to NRS 202.3689 may not carry a concealed firearm in this State if the person:

- (a) Becomes a resident of this State; and
- (b) Has not been issued a permit from the sheriff of the county in which he or she resides within 60 days after becoming a resident of this State.

~~{3. A person who carries a concealed firearm pursuant to this section is subject to the same legal restrictions and requirements imposed upon a person who has been issued a permit by a sheriff in this State.}~~

Sec. 4.5. NRS 202.3689 is hereby amended to read as follows:

202.3689 1. On or before July 1 of each year, the Department shall:

(a) ~~{Examine the requirements for the}~~ **Determine whether each state requires a person to complete any training, class or program before the** issuance of a permit to carry a concealed firearm in ~~{each}~~ **that state .** ~~{and determine whether the requirements of each state are substantially similar to or more stringent than the requirements set forth in NRS 202.3653 to 202.369, inclusive.}~~

(b) Determine whether each state has an electronic database which identifies each individual who possesses a valid permit to carry a concealed firearm issued by that state and which a law enforcement officer in this State may access at all times through a national law enforcement telecommunications system.

(c) Prepare a list of states that meet the requirements of paragraphs (a) and (b). ~~{A state must not be included in the list unless the Nevada Sheriffs' and Chiefs' Association agrees with the Department that the state should be included in the list.}~~

(d) Provide a copy of the list prepared pursuant to paragraph (c) to each law enforcement agency in this State.

2. The Department shall, upon request, make the list prepared pursuant to subsection 1 available to the public.

Sec. 5. Chapter 33 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a court issues an extended order pursuant to NRS 33.030, the adverse party shall not subsequently purchase or otherwise acquire any firearm during the period that the extended order is in effect.

2. A person who violates the provisions of subsection 1 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, and may be further punished by a fine of not more than \$5,000.

Sec. 6. NRS 33.017 is hereby amended to read as follows:

33.017 As used in NRS 33.017 to 33.100, inclusive, **and section 5 of this act**, unless the context otherwise requires:

1. “Extended order” means an extended order for protection against domestic violence.

2. “Temporary order” means a temporary order for protection against domestic violence.

Sec. 7. NRS 41.095 is hereby amended to read as follows:

41.095 1. For the purposes of NRS 41.085 and 41.130, any person who uses ~~the~~ **while** :

(a) **While** lawfully in his or her residence, ~~for~~ in transient lodging ~~or~~ **or in a motor vehicle that is not his or her residence**, force which is intended or likely to cause death or bodily injury is presumed to have had a reasonable fear of imminent death or bodily injury to himself or herself or another person lawfully in the residence, ~~or~~ transient lodging **or motor vehicle** if the force is used against a person who is committing burglary, ~~or~~ invasion of the home **or grand larceny of the motor vehicle with the use or threatened use of a deadly weapon** and the person using the force knew or had reason to believe that burglary, ~~or~~ invasion of the home **or grand larceny of the motor vehicle with the use or threatened use of a deadly weapon** was being committed. An action to recover damages for personal injuries to or the wrongful death of the person who committed burglary, ~~or~~ invasion of the home **or grand larceny of the motor vehicle with the use or threatened use of a deadly weapon** may not be maintained against the person who used such force unless the presumption is overcome by clear and convincing evidence to the contrary.

(b) **Force which is intended or likely to cause death or bodily injury is immune from civil liability in an action to recover damages for personal injuries to or the wrongful death of a person against whom such force was used if the use of such force was justified under the applicable provisions of chapter 200 of NRS relating to the use of such force.**

2. As used in this section ~~the~~ **“residence”** :

(a) **“Deadly weapon” has the meaning ascribed to it in NRS 193.165.**

(b) **“Motor vehicle” means every vehicle which is self-propelled.**

(c) **“Residence”** means any house, room, apartment, tenement or other building, vehicle, vehicle trailer, semitrailer, house trailer or boat designed or intended for occupancy as a residence.

Sec. 7.5. NRS 62C.060 is hereby amended to read as follows:

62C.060 1. If a child is taken into custody for an unlawful act that involves the possession, use or threatened use of a firearm, the child must not be released before a detention hearing is held pursuant to NRS 62C.040.

2. At the detention hearing, the juvenile court shall, if the child was taken into custody for:

(a) Carrying or possessing a firearm while on the property of the Nevada System of Higher Education, a private or public school or child care facility, or while in a vehicle of a private or public school or child care facility, order the child to:

- (1) Be evaluated by a qualified professional; and
- (2) Submit to a test to determine whether the child is using any controlled substance.

(b) Committing an unlawful act involving a firearm other than the act described in paragraph (a), determine whether to order the child to be evaluated by a qualified professional.

3. If the juvenile court orders the child to be evaluated by a qualified professional or to submit to a test to determine whether the child is using any controlled substance, the evaluation or the results from the test must be completed not later than 14 days after the detention hearing. Until the evaluation or the test is completed, the child must be:

- (a) Detained at a facility for the detention of children; or
- (b) Placed under a program of supervision in the home of the child that may include electronic surveillance of the child.

4. If a child is evaluated by a qualified professional pursuant to this section, the statements made by the child to the qualified professional during the evaluation and any evidence directly or indirectly derived from those statements may not be used for any purpose in a proceeding which is conducted to prove that the child committed a delinquent act or criminal offense. The provisions of this subsection do not prohibit the district attorney from proving that the child committed a delinquent act or criminal offense based upon evidence obtained from sources or by means that are independent of the statements made by the child to the qualified professional during the evaluation.

5. As used in this section, "child care facility" has the meaning ascribed to it in paragraph (a) of subsection ~~5~~ 6 of NRS 202.265.

Sec. 8. NRS 244.364 is hereby amended to read as follows:

244.364 1. ***The Legislature hereby declares that:***

(a) The purpose of this section is to establish state control over the regulation of and policies concerning firearms, firearm accessories and ammunition to ensure that such regulation and policies are uniform throughout this State and to ensure the protection of the right to keep and bear arms, which is recognized by the United States Constitution and the Nevada Constitution.

(b) The regulation of the transfer, sale, purchase, possession, carrying, ownership, transportation, storage, registration and licensing of firearms, firearm accessories and ammunition in this State and the ability to define such terms is within the exclusive domain of the Legislature, and any other law, regulation, rule or ordinance to the contrary is null and void.

(c) This section must be liberally construed to effectuate its purpose.

2. Except as otherwise provided by specific statute, the Legislature reserves for itself such rights and powers as are necessary to regulate the transfer, sale, purchase, possession, ***carrying***, ownership, transportation, ***storage***, registration and licensing of firearms, ***firearm accessories*** and ammunition in Nevada ~~to~~ and ~~to~~ ***to define such terms.*** No county may

infringe upon those rights and powers. ~~[As used in this subsection, “firearm” means any weapon from which a projectile is discharged by means of an explosive, spring, gas, air or other force.]~~

~~—2.]~~ 3. A board of county commissioners may proscribe by ordinance or regulation the unsafe discharge of firearms.

~~{3. If a board of county commissioners in a county whose population is 700,000 or more has required by ordinance or regulation adopted before June 13, 1989, the registration of a firearm capable of being concealed, the board of county commissioners shall amend such an ordinance or regulation to require:~~

~~—(a) A period of at least 60 days of residency in the county before registration of such a firearm is required.~~

~~—(b) A period of at least 72 hours for the registration of a pistol by a resident of the county upon transfer of title to the pistol to the resident by purchase, gift or any other transfer.~~

~~—4. Except as otherwise provided in subsection 1, as}~~

4. Any ordinance or regulation which is inconsistent with this section or which is designed to restrict or prohibit the sale, purchase, transfer, manufacture or display of firearms, firearm accessories or ammunition that is otherwise lawful under the laws of this State is null and void, and any official action taken by an employee or agent of a county in violation of this section is void.

5. A board of county commissioners shall repeal any ordinance or regulation described in subsection 4, and any such ordinance or regulation that is posted within the county must be removed.

6. A board of county commissioners shall cause to be destroyed any ownership records of firearms owned by private persons which are kept or maintained by the county or any county agency, board or commission, including, without limitation, any law enforcement agency, for the purposes of compliance with any ordinance or regulation that is inconsistent with this section. The provisions of this subsection do not apply to the ownership records of firearms purchased and owned by any political subdivision of this State.

7. Any person who is adversely affected by the enforcement of an ordinance or regulation that violates this section on or after ~~October 1, 2015,~~ the effective date of this act may file suit in the appropriate court for declarative and injunctive relief and damages attributable to the violation. Notwithstanding any other provision of law, such a person is entitled to:

(a) Reimbursement of actual damages, reasonable attorney’s fees and costs which the person has incurred if, within 30 days after the person commenced the action but before a final determination has been issued by the court, the board of county commissioners repeals the ordinance or regulation that violates this section.

(b) Liquidated damages in an amount equal to two times the actual damages, reasonable attorney’s fees and costs incurred by the person if, more than 30 days after the person commenced the action but before a final

determination has been issued by the court, the board of county commissioners repeals the ordinance or regulation that violates this section.

(c) Liquidated damages in an amount equal to three times the actual damages, reasonable attorney's fees and costs incurred by the person if the court makes a final determination in favor of the person.

8. This section must not be construed to prevent:

(a) A law enforcement agency or correctional institution from promulgating and enforcing its own rules pertaining to firearms, firearm accessories or ammunition that are issued to or used by peace officers in the course of their official duties.

(b) A court or administrative law judge from hearing and resolving a case or controversy or issuing an opinion or order on a matter within its jurisdiction.

(c) A public employer from regulating or prohibiting the carrying or possession of firearms, firearm accessories or ammunition during or in the course of an employee's official duties.

(d) The enactment or enforcement of a county zoning or business ordinance which is generally applicable to businesses within the county and thereby affects a firearms business within the county, including, without limitation, an indoor or outdoor shooting range.

(e) A county from enacting and enforcing rules for the operation and use of any firearm range owned and operated by the county.

(f) A political subdivision from sponsoring or conducting a firearm-related competition or educational or cultural program and enacting and enforcing rules for participation in or attendance at any such competition or program.

(g) A political subdivision or any official thereof with appropriate authority from enforcing any statute of this State.

9. As used in this section:

(a) "Ammunition" includes, without limitation, fixed cartridge ammunition and the individual components thereof, shotgun shells and the individual components thereof, projectiles for muzzle-loading firearms and any propellant used in firearms or ammunition.

(b) "Firearm" ~~means~~ includes, without limitation, a pistol, revolver, rifle, shotgun, machine gun, submachine gun, black powder weapon, muzzle-loading firearm or any device which is designed to ~~be used as a weapon from which~~, able to or able to be readily converted to expel a projectile ~~may be expelled~~ through the barrel by the ~~force~~ action of ~~any explosion or~~ an explosive, other form of combustion ~~;~~

~~—(b) "Firearm capable of being concealed" includes all firearms having a barrel less than 12 inches in length.~~

~~—(c) "Pistol" means a firearm capable of being concealed that is intended to be aimed and fired with one hand.} or expanding gases.~~

(c) "Firearm accessories" means:

(1) Devices specifically designed or adapted to enable the wearing or carrying of a firearm or the storing in or mounting on a conveyance of a firearm; or

(2) Attachments or devices specifically designed or adapted to be inserted into or affixed on a firearm to enable, alter or improve the functioning or capability of the firearm.

(d) "Person" includes, without limitation:

(1) Any person who has standing to bring or maintain an action concerning this section pursuant to the laws of this State.

(2) Any person who:

(I) Can legally possess a firearm under state and federal law;

(II) Owns, possesses, stores, transports, carries or transfers firearms, ammunition or ammunition components within a county; and

(III) Is subject to the county ordinance or regulation at issue.

(3) A membership organization whose members include a person described in subparagraphs (1) and (2) and which is dedicated in whole or in part to protecting the legal, civil or constitutional rights of its members.

(e) "Political subdivision" includes, without limitation, a state agency, county, city, town or school district.

(f) "Public employer" has the meaning ascribed to it in NRS 286.070.

Sec. 9. NRS 268.418 is hereby amended to read as follows:

268.418 1. *The Legislature hereby declares that:*

(a) The purpose of this section is to establish state control over the regulation of and policies concerning firearms, firearm accessories and ammunition to ensure that such regulation and policies are uniform throughout this State and to ensure the protection of the right to bear arms, which is recognized by the United States Constitution and the Nevada Constitution.

(b) The regulation of the transfer, sale, purchase, possession, carrying, ownership, transportation, storage, registration and licensing of firearms, firearm accessories and ammunition in this State and the ability to define such terms is within the exclusive domain of the Legislature, and any other law, regulation, rule or ordinance to the contrary is null and void.

(c) This section must be liberally construed to effectuate its purpose.

2. Except as otherwise provided by specific statute, the Legislature reserves for itself such rights and powers as are necessary to regulate the transfer, sale, purchase, possession, **carrying**, ownership, transportation, **storage**, registration and licensing of firearms, **firearm accessories** and ammunition in Nevada ~~and to define such terms. No~~ city may infringe upon those rights and powers. ~~As used in this subsection, "firearm" means any weapon from which a projectile is discharged by means of an explosive, spring, gas, air or other force.~~

~~2.~~ 3. The governing body of a city may proscribe by ordinance or regulation the unsafe discharge of firearms.

~~{3. If the governing body of a city in a county whose population is 700,000 or more has required by ordinance or regulation adopted before June 13, 1989, the registration of a firearm capable of being concealed, the governing body shall amend such an ordinance or regulation to require:~~

~~—(a) A period of at least 60 days of residency in the city before registration of such a firearm is required.~~

~~—(b) A period of at least 72 hours for the registration of a pistol by a resident of the city upon transfer of title to the pistol to the resident by purchase, gift or any other transfer.~~

~~—4. Except as otherwise provided in subsection 1, as}~~

4. Any ordinance or regulation which is inconsistent with this section or which is designed to restrict or prohibit the sale, purchase, transfer, manufacture or display of firearms, firearm accessories or ammunition that is otherwise lawful under the laws of this State is null and void, and any official action taken by an employee or agent of a city in violation of this section is void.

5. The governing body of a city shall repeal any ordinance or regulation described in subsection 4, and any such ordinance or regulation that is posted within the city must be removed.

6. The governing body of a city shall cause to be destroyed any ownership records of firearms owned by private persons which are kept or maintained by the city or any city agency, board or commission, including, without limitation, any law enforcement agency, for the purposes of compliance with any ordinance or regulation that is inconsistent with this section. The provisions of this subsection do not apply to the ownership records of firearms purchased and owned by any political subdivision of this State.

7. Any person who is adversely affected by the enforcement of an ordinance or regulation that violates this section on or after ~~{October 1, 2015,}~~ the effective date of this act may file suit in the appropriate court for declarative and injunctive relief and damages attributable to the violation. Notwithstanding any other provision of law, such a person is entitled to:

(a) Reimbursement of actual damages, reasonable attorney's fees and costs which the person has incurred if, within 30 days after the person commenced the action but before a final determination has been issued by the court, the governing body of the city repeals the ordinance or regulation that violates this section.

(b) Liquidated damages in an amount equal to two times the actual damages, reasonable attorney's fees and costs incurred by the person if, more than 30 days after the person commenced the action but before a final determination has been issued by the court, the governing body of the city repeals the ordinance or regulation that violates this section.

(c) Liquidated damages in an amount equal to three times the actual damages, reasonable attorney's fees and costs incurred by the person if the court makes a final determination in favor of the person.

8. This section must not be construed to prevent:

(a) A law enforcement agency or correctional institution from promulgating and enforcing its own rules pertaining to firearms, firearm accessories or ammunition that are issued to or used by peace officers in the course of their official duties.

(b) A court or administrative law judge from hearing and resolving a case or controversy or issuing an opinion or order on a matter within its jurisdiction.

(c) A public employer from regulating or prohibiting the carrying or possession of firearms, firearm accessories or ammunition during or in the course of an employee's official duties.

(d) The enactment or enforcement of a city zoning or business ordinance which is generally applicable to businesses within the city and thereby affects a firearms business within the city, including, without limitation, an indoor or outdoor shooting range.

(e) A city from enacting and enforcing rules for the operation and use of any firearm range owned and operated by the city.

(f) A political subdivision from sponsoring or conducting a firearm-related competition or educational or cultural program and enacting and enforcing rules for participation in or attendance at any such competition or program.

(g) A political subdivision or any official thereof with appropriate authority from enforcing any statute of this State.

9. As used in this section:

(a) "Ammunition" includes, without limitation, fixed cartridge ammunition and the individual components thereof, shotgun shells and the individual components thereof, projectiles for muzzle-loading firearms and any propellant used in firearms or ammunition.

(b) "Firearm" ~~means~~ includes, without limitation, a pistol, revolver, rifle, shotgun, machine gun, submachine gun, black powder weapon, muzzle-loading firearm or any device which is designed to ~~be used as a weapon from which~~, able to or able to be readily converted to expel a projectile ~~may be expelled~~ through the barrel by the ~~force~~ action of ~~any explosion or~~ an explosive, other form of combustion ~~[-~~

—(b) "Firearm capable of being concealed" includes all firearms having a barrel less than 12 inches in length.

—(c) "Pistol" means a firearm capable of being concealed that is intended to be aimed and fired with one hand. ~~]} or expanding gases.~~

(c) "Firearm accessories" means:

(1) Devices specifically designed or adapted to enable the wearing or carrying of a firearm or the storing in or mounting on a conveyance of a firearm; or

(2) Attachments or devices specifically designed or adapted to be inserted into or affixed on a firearm to enable, alter or improve the functioning or capability of the firearm.

(d) *“Person” includes, without limitation:*

(1) *Any person who has standing to bring or maintain an action concerning this section pursuant to the laws of this State.*

(2) *Any person who:*

(I) *Can legally possess a firearm under state and federal law;*

(II) *Owens, possesses, stores, transports, carries or transfers firearms, ammunition or ammunition components within a city; and*

(III) *Is subject to the city ordinance or regulation at issue.*

(3) *A membership organization whose members include a person described in subparagraphs (1) and (2) and which is dedicated in whole or in part to protecting the legal, civil or constitutional rights of its members.*

(e) *“Political subdivision” includes, without limitation, a state agency, county, city, town or school district.*

(f) *“Public employer” has the meaning ascribed to it in NRS 286.070.*

Sec. 10. NRS 269.222 is hereby amended to read as follows:

269.222 1. *The Legislature hereby declares that:*

(a) *The purpose of this section is to establish state control over the regulation of and policies concerning firearms, firearm accessories and ammunition to ensure that such regulation and policies are uniform throughout this State and to ensure the protection of the right to keep and bear arms, which is recognized by the United States Constitution and the Nevada Constitution.*

(b) *The regulation of the transfer, sale, purchase, possession, carrying, ownership, transportation, storage, registration and licensing of firearms, firearm accessories and ammunition in this State and the ability to define such terms is within the exclusive domain of the Legislature, and any other law, regulation, rule or ordinance to the contrary is null and void.*

(c) *This section must be liberally construed to effectuate its purpose.*

2. Except as otherwise provided by specific statute, the Legislature reserves for itself such rights and powers as are necessary to regulate the transfer, sale, purchase, possession, **carrying**, ownership, transportation, **storage**, registration and licensing of firearms, **firearm accessories** and ammunition in Nevada ~~and~~ ~~and~~ **to define such terms.** No town may infringe upon those rights and powers. ~~As used in this subsection, “firearm” means any weapon from which a projectile is discharged by means of an explosive, spring, gas, air or other force.~~

~~2.3~~ 3. A town board may proscribe by ordinance or regulation the unsafe discharge of firearms.

~~3. If a town board in a county whose population is 700,000 or more has required by ordinance or regulation adopted before June 13, 1989, the registration of a firearm capable of being concealed, the town board shall amend such an ordinance or regulation to require:~~

~~(a) A period of at least 60 days of residency in the town before registration of such a firearm is required.~~

~~—(b) A period of at least 72 hours for the registration of a pistol by a resident of the town upon transfer of title to the pistol to the resident by purchase, gift or any other transfer.~~

~~—4. Except as otherwise provided in subsection 1, as}~~

4. Any ordinance or regulation which is inconsistent with this section or which is designed to restrict or prohibit the sale, purchase, transfer, manufacture or display of firearms, firearm accessories or ammunition that is otherwise lawful under the laws of this State is null and void, and any official action taken by an employee or agent of a town in violation of this section is void.

5. A town board shall repeal any ordinance or regulation described in subsection 4, and any such ordinance or regulation that is posted within the town must be removed.

6. A town board shall cause to be destroyed any ownership records of firearms owned by private persons which are kept or maintained by the town or any town agency, board or commission, including, without limitation, any law enforcement agency, for the purposes of compliance with any ordinance or regulation that is inconsistent with this section. The provisions of this subsection do not apply to the ownership records of firearms purchased and owned by any political subdivision of this State.

7. Any person who is adversely affected by the enforcement of an ordinance or regulation that violates this section on or after ~~October 1, 2015,~~ the effective date of this act may file suit in the appropriate court for declarative and injunctive relief and damages attributable to the violation. Notwithstanding any other provision of law, such a person is entitled to:

(a) Reimbursement of actual damages, reasonable attorney's fees and costs which the person has incurred if, within 30 days after the person commenced the action but before a final determination has been issued by the court, the town board repeals the ordinance or regulation that violates this section.

(b) Liquidated damages in an amount equal to two times the actual damages, reasonable attorney's fees and costs incurred by the person if, more than 30 days after the person commenced the action but before a final determination has been issued by the court, the town board repeals the ordinance or regulation that violates this section.

(c) Liquidated damages in an amount equal to three times the actual damages, reasonable attorney's fees and costs incurred by the person if the court makes a final determination in favor of the person.

8. This section must not be construed to prevent:

(a) A law enforcement agency or correctional institution from promulgating and enforcing its own rules pertaining to firearms, firearm accessories or ammunition that are issued to or used by peace officers in the course of their official duties.

(b) A court or administrative law judge from hearing and resolving a case or controversy or issuing an opinion or order on a matter within its jurisdiction.

(c) A public employer from regulating or prohibiting the carrying or possession of firearms, firearm accessories or ammunition during or in the course of an employee's official duties.

(d) The enactment of enforcement of a town zoning or business ordinance which is generally applicable to businesses within the town and thereby affects a firearms business within the town, including, without limitation, an indoor or outdoor shooting range.

(e) A town from enacting and enforcing rules for the operation and use of any firearm range owned and operated by the town.

(f) A political subdivision from sponsoring or conducting a firearm-related competition or educational or cultural program and enacting and enforcing rules for participation in or attendance at any such competition or program.

(g) A political subdivision or any official thereof with appropriate authority from enforcing any statute of this State.

9. As used in this section:

(a) "Ammunition" includes, without limitation, fixed cartridge ammunition and the individual components thereof, shotgun shells and the individual components thereof, projectiles for muzzle-loading firearms and any propellant used in firearms or ammunition.

(b) "Firearm" ~~means~~ includes, without limitation, a pistol, revolver, rifle, shotgun, machine gun, submachine gun, black powder weapon, muzzle-loading firearm or any device which is designed to ~~be used as a weapon from which~~, able to or able to be readily converted to expel a projectile ~~may be expelled~~ through the barrel by the ~~force~~ action of ~~any explosion or~~ an explosive, other form of combustion ~~[-~~

~~—(b) "Firearm capable of being concealed" includes all firearms having a barrel less than 12 inches in length.~~

~~—(c) "Pistol" means a firearm capable of being concealed that is intended to be aimed and fired with one hand.] or expanding gases.~~

(c) "Firearm accessories" means:

(1) Devices specifically designed or adapted to enable the wearing or carrying of a firearm or the storing in or mounting on a conveyance of a firearm; or

(2) Attachments or devices specifically designed or adapted to be inserted into or affixed on a firearm to enable, alter or improve the functioning or capability of the firearm.

(d) "Person" includes, without limitation:

(1) Any person who has standing to bring or maintain an action concerning this section pursuant to the laws of this State.

(2) Any person who:

(I) *Can legally possess a firearm under state and federal law;*

(II) *Owens, possesses, stores, transports, carries or transfers firearms, ammunition or ammunition components within a town; and*

(III) *Is subject to the town ordinance or regulation at issue.*

(3) *A membership organization whose members include a person described in subparagraphs (1) and (2) and which is dedicated in whole or in part to protecting the legal, civil or constitutional rights of its members.*

(e) *“Political subdivision” includes, without limitation, a state agency, county, city, town or school district.*

(f) *“Public employer” has the meaning ascribed to it in NRS 286.070.*

Sec. 10.3. NRS 396.110 is hereby amended to read as follows:

396.110 1. The Board of Regents may prescribe rules for:

(a) Its own government; and

(b) The government of the System.

2. The Board of Regents shall prescribe rules for the granting of permission to carry or possess a weapon pursuant to NRS 202.265. **The rules prescribed by the Board of Regents pursuant to this subsection must not require a person who is authorized to carry a concealed firearm pursuant to the provisions of NRS 202.3653 to 202.369, inclusive, to obtain permission to carry a concealed firearm.**

3. Any rules prescribed by the Board of Regents pursuant to subsection 2 before, on or after the effective date of this act that are inconsistent with the provisions of subsection 2 are void.

Sec. 11. Section 5 of chapter 308, Statutes of Nevada 1989, as amended by chapter 320, Statutes of Nevada 2007, at page 1291, is hereby amended to read as follows:

Sec. 5. ~~{1. Except as otherwise provided in subsection 2, the provisions of this act apply to ordinances or regulations adopted on or after June 13, 1989.~~

~~—2.} The provisions of this act [as amended on October 1, 2007,] apply to ordinances or regulations adopted before, on or after June 13, 1989.~~

Sec. 11.5. The Board of Regents of the University of Nevada shall, on or before September 1, 2015, prescribe the rules for the granting of permission to carry or possess a weapon pursuant to NRS 202.265 required by subsection 2 of NRS 396.110, as amended by section 10.3 of this act.

Sec. 12. 1. The provisions of NRS 202.360, as amended by section 3 of this act, apply to an offense committed before, on or after the effective date of this act.

2. The provisions of section 5 of this act apply to an extended order pursuant to NRS 33.030 issued on or after the effective date of this act.

Sec. 12.5. Records relating to the registration of any firearm capable of being concealed pursuant to any ordinance or regulation adopted by a political subdivision ~~{before June 13, 1989,}~~ must be destroyed within 1 year after the effective date of this act.

Sec. 13. (Deleted by amendment.)

Sec. 14. This act becomes effective upon passage and approval.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment allows a firearm in a motor vehicle under certain circumstances and authorizes a CCW [concealed carry weapon] permit holder to possess a firearm on the property of the Nevada System of Higher Education.

Mr. Speaker called for a division of the house.

YEAS—Dickman, Dooling, Ellison, Fiore, Gardner, Hambrick, Hansen, Hickey, Jones, Kirner, Moore, Nelson, Ohrenschall, O'Neill, Seaman, Shelton, Titus, Trowbridge—18.

NAYS—Elliot Anderson, Paul Anderson, Araujo, Armstrong, Benitez-Thompson, Bustamante Adams, Carlton, Carrillo, Diaz, Edwards, Flores, Joiner, Kirkpatrick, Munford, Neal, Oscarson, Silberkraus, Spiegel, Sprinkle, Stewart, Swank, Thompson, Wheeler, Woodbury—24.

Motion lost on a division of the house.

Bill ordered to third reading.

Senate Bill No. 193.

Bill read second time.

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

Amendment No. 839.

SUMMARY—Revises provisions governing the payment of ~~minimum wage and~~ compensation for overtime. (BDR 53-989)

AN ACT relating to employment; revising provisions governing the payment of ~~minimum wage and~~ compensation for overtime; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Existing law requires the Labor Commissioner, in accordance with federal law, to establish by regulation the minimum wage which may be paid to an employee in private employment in this State. (NRS 608.250) Section 1 of this bill requires the Labor Commissioner, in adopting those regulations, to ensure that the minimum wage for the employee is \$9 per hour, if the employer of the employee does not offer health insurance for the employee in accordance with regulations adopted by the Labor Commissioner.]~~

The Fair Labor Standards Act of 1938 requires that compensation for overtime be paid to certain employees for hours worked in excess of 40 hours in any week of work. (29 U.S.C. 207) Under existing Nevada law, certain employees, including certain classified employees of this State, certain employees of contractors working on public works projects and certain other employees of private employers, are entitled to compensation for overtime at a rate of 1 1/2 times an employee's regular wage rate for any hours worked in excess of 8 hours in any workday or in excess of 40 hours in any week of work. (NRS 284.180, 338.020, 608.018) **Sections 2-4** of this bill remove the provisions which require payment of compensation for overtime for hours

worked in excess of 8 hours in any workday, while retaining the provisions which require payment of compensation for overtime for hours worked in excess of 40 hours in any week of work.

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

Section 1. ~~[Chapter 608 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~**In adopting the regulations establishing the minimum wage which may be paid pursuant to NRS 608.250, the Labor Commissioner shall ensure that the minimum wage for each employee to which those regulations apply is at least \$9 per hour, if the employer of the employee does not offer health insurance for the employee in accordance with regulations adopted by the Labor Commissioner.] (Deleted by amendment.)**~~

Sec. 2. NRS 608.018 is hereby amended to read as follows:

608.018 1. ~~[An employer shall pay 1 1/2 times an employee's regular wage rate whenever an employee who receives compensation for employment at a rate less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250 works:~~

~~—(a) More than 40 hours in any scheduled week of work; or
—(b) More than 8 hours in any workday unless by mutual agreement the employee works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.~~

~~—2. An] Except as otherwise provided in subsection 2, an employer shall pay 1 1/2 times an employee's regular wage rate whenever an employee [who receives compensation for employment at a rate not less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250] works more than 40 hours in any scheduled week of work.~~

~~[3.] 2.~~ The provisions of ~~[subsections]~~ **subsection 1** ~~[and 2]~~ do not apply to:

(a) Employees who are not covered by the minimum wage provisions of NRS 608.250;

(b) Outside buyers;

(c) Employees in a retail or service business if their regular rate is more than 1 1/2 times the minimum wage, and more than half their compensation for a representative period comes from commissions on goods or services, with the representative period being, to the extent allowed pursuant to federal law, not less than 1 month;

(d) Employees who are employed in bona fide executive, administrative or professional capacities;

(e) Employees covered by collective bargaining agreements which provide otherwise for overtime;

(f) Drivers, drivers' helpers, loaders and mechanics for motor carriers subject to the Motor Carrier Act of 1935, as amended;

(g) Employees of a railroad;

- (h) Employees of a carrier by air;
- (i) Drivers or drivers' helpers making local deliveries and paid on a trip-rate basis or other delivery payment plan;
- (j) Drivers of taxicabs or limousines;
- (k) Agricultural employees;
- (l) Employees of business enterprises having a gross sales volume of less than \$250,000 per year;
- (m) Any salesperson or mechanic primarily engaged in selling or servicing automobiles, trucks or farm equipment; and
- (n) A mechanic or worker for any hours to which the provisions of subsection 3 or 4 of NRS 338.020 apply.

Sec. 3. NRS 284.180 is hereby amended to read as follows:

284.180 1. The Legislature declares that since uniform salary and wage rates and classifications are necessary for an effective and efficient personnel system, the pay plan must set the official rates applicable to all positions in the classified service, but the establishment of the pay plan in no way limits the authority of the Legislature relative to budgeted appropriations for salary and wage expenditures.

2. Credit for overtime work directed or approved by the head of an agency or the representative of the head of the agency must be earned at the rate of time and one-half, except for those employees described in NRS 284.148.

3. Except as otherwise provided in subsections 4, 6 ~~6, 7~~ and ~~19,~~ 8, overtime is considered time worked in excess of ~~8~~:

- ~~(a) Eight hours in 1 calendar day;~~
- ~~(b) Eight hours in any 16 hour period; or~~
- ~~(c) A 40-hour week.~~

4. Firefighters who choose and are approved for a 24-hour shift shall be deemed to work an average of 56 hours per week and 2,912 hours per year, regardless of the actual number of hours worked or on paid leave during any biweekly pay period. A firefighter so assigned is entitled to receive 1/26 of the firefighter's annual salary for each biweekly pay period. In addition, overtime must be considered time worked in excess of:

- (a) Twenty-four hours in one scheduled shift; or
- (b) Fifty-three hours average per week during one work period for those hours worked or on paid leave.

➤ The appointing authority shall designate annually the length of the work period to be used in determining the work schedules for such firefighters. In addition to the regular amount paid such a firefighter for the deemed average of 56 hours per week, the firefighter is entitled to payment for the hours which comprise the difference between the 56-hour average and the overtime threshold of 53 hours average at a rate which will result in the equivalent of overtime payment for those hours.

5. The Commission shall adopt regulations to carry out the provisions of subsection 4.

6. ~~{For employees who choose and are approved for a variable workday, overtime will be considered only after working 40 hours in 1 week.~~

~~—7.} Employees who are eligible under the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., to work a variable 80-hour work schedule within a biweekly pay period and who choose and are approved for such a work schedule will be considered eligible for overtime only after working 80 hours biweekly . ~~{except those eligible employees who are approved for overtime in excess of one scheduled shift of 8 or more hours per day.~~~~

~~—8.} 7. An agency may experiment with innovative workweeks upon the approval of the head of the agency and after majority consent of the affected employees. The affected employees are eligible for overtime only after working 40 hours in a workweek.~~

~~{9.} 8. This section does not supersede or conflict with existing contracts of employment for employees hired to work 24 hours a day in a home setting. Any future classification in which an employee will be required to work 24 hours a day in a home setting must be approved in advance by the Commission.~~

~~{10.} 9. All overtime must be approved in advance by the appointing authority or the designee of the appointing authority. No officer or employee, other than a director of a department or the chair of a board, commission or similar body, may authorize overtime for himself or herself. The chair of a board, commission or similar body must approve in advance all overtime worked by members of the board, commission or similar body.~~

~~{11.} 10. The Budget Division of the Department of Administration shall review all overtime worked by employees of the Executive Department to ensure that overtime is held to a minimum. The Budget Division shall report quarterly to the State Board of Examiners the amount of overtime worked in the quarter within the various agencies of the State.~~

~~{12.} 11. A state employee is entitled to his or her normal rate of pay for working on a legal holiday unless the employee is entitled to payment for overtime pursuant to this section and the regulations adopted pursuant thereto. This payment is in addition to any payment provided for by regulation for a legal holiday.~~

Sec. 4. NRS 338.020 is hereby amended to read as follows:

338.020 1. Every contract to which a public body of this State is a party, requiring the employment of skilled mechanics, skilled workers, semiskilled mechanics, semiskilled workers or unskilled labor in the performance of public work, must contain in express terms the hourly and daily rate of wages to be paid each of the classes of mechanics and workers. The hourly and daily rate of wages must:

(a) Not be less than the rate of such wages then prevailing in the county in which the public work is located, which prevailing rate of wages must have been determined in the manner provided in NRS 338.030; and

(b) Be posted on the site of the public work in a place generally visible to the workers.

2. When public work is performed by day labor, the prevailing wage for each class of mechanics and workers so employed applies and must be stated clearly to such mechanics and workers when employed.

3. Except as otherwise provided in subsection 4, a contractor or subcontractor shall pay to a mechanic or worker employed by the contractor or subcontractor on the public work not less than one and one-half times the prevailing rate of wages applicable to the class of the mechanic or worker for each hour the mechanic or worker works on the public work in excess of ~~1~~—

~~(a) Forty~~ 40 hours in any scheduled week of work by the mechanic or worker for the contractor or subcontractor, including, without limitation, hours worked for the contractor or subcontractor on work other than the public work . ~~1~~ or

~~(b) Eight hours in any workday that the mechanic or worker was employed by the contractor or subcontractor, including, without limitation, hours worked for the contractor or subcontractor on work other than the public work, unless by mutual agreement the mechanic or worker works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.]~~

4. The provisions of subsection 3 do not apply to a mechanic or worker who is covered by a collective bargaining agreement that provides for the payment of wages at not less than one and one-half times the rate of wages set forth in the collective bargaining agreement for work in excess of ~~1~~—

~~(a) Forty~~ 40 hours in any scheduled week of work . ~~1~~ or

~~(b) Eight hours in any workday unless the collective bargaining agreement provides that the mechanic or worker shall work a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.]~~

5. The prevailing wage and any wages paid for overtime pursuant to subsection 3 or 4 to each class of mechanics or workers must be in accordance with the jurisdictional classes recognized in the locality where the work is performed.

6. Nothing in this section prevents an employer who is signatory to a collective bargaining agreement from assigning such work in accordance with established practice.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 839 to Senate Bill 193 removes the requirement that the Labor Commissioner establish the \$9 per hour minimum wage proposed in Section 1.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 194.

Bill read second time.

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

Amendment No. 759.

AN ACT relating to industrial insurance; revising the threshold cost of a construction project at which a private company, public entity or utility may establish a consolidated insurance program; requiring the owner or principal contractor of a construction project that is covered by a consolidated insurance program to provide access to the site of the construction project and to documents relating to claims under certain circumstances; revising certain requirements for the issuance of a policy or contract of insurance providing coverage for a consolidated insurance program; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law allows a private company, public entity or utility to establish and administer or to require participation in a consolidated insurance program for industrial insurance on a construction project which meets a minimum threshold amount established by the Commissioner of Insurance, which must initially be set at \$150,000,000. (NRS 616B.710) **Section 1** of this bill fixes this threshold cost for a construction project or series of projects at \$50,000,000.

~~[Existing law requires a private company, public entity or utility that enters into a contract with a private carrier for the provision of industrial insurance coverage for a consolidated insurance program to file a copy of the contract with the Commissioner. Section 2 of this bill deletes that requirement for a private company.]~~

Existing law requires that each consolidated insurance program have a designated administrator of claims. Existing law also prohibits the administrator from serving as administrator for more than one consolidated insurance program. (NRS 616B.727) **Section 3** of this bill removes this prohibition, allowing an administrator of claims to serve as the administrator of claims for the consolidated insurance program of more than one construction project. **Section 3** also requires that any policy or contract of insurance required by a consolidated insurance program be issued by an insurer meeting certain requirements.

Section 2.5 of this bill requires the owner or primary contractor of a construction project to allow the contractor, employer or subcontractor who employs an employee who is engaged in the construction project to have access to the site of the construction project and to any documents relating to claims filed by or on behalf of their injured workers.

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

Section 1. NRS 616B.710 is hereby amended to read as follows:

616B.710 1. A private company, public entity or utility may:

(a) Establish and administer a consolidated insurance program to provide industrial insurance coverage for employees of contractors and subcontractors who are engaged in a construction project *or series of projects* of which the

private company, public entity or utility is the owner or principal contractor, if the estimated total cost of the construction project **or series of projects** is equal to or greater than ~~the threshold amount established by the Commissioner pursuant to subsection 3;~~ **\$50,000,000;** and

(b) As a condition precedent to the award of a contract to perform work on the construction project ~~or~~ **or any project that is part of the series of projects**, require that contractors and subcontractors who will be engaged in the construction of the project **or series of projects** participate in the consolidated insurance program.

2. If a private company, public entity or utility:

(a) Establishes and administers a consolidated insurance program; and

(b) Pursuant to the contract for the construction of the project ~~or~~ **or series of projects**, owes a periodic payment to a contractor or subcontractor whose employees are covered under the consolidated insurance program,

↪ the private company, public entity or utility shall not withhold such a periodic payment on the basis that the contractor or subcontractor has not signed an employer's report of industrial injury or occupational disease as required pursuant to NRS 616C.045.

3. ~~The Commissioner shall establish the threshold amount that the estimated total cost of a construction project must be equal to or greater than before a consolidated insurance program may be established and administered for that project pursuant to this section. The base amount for the threshold must initially be \$150,000,000 and thereafter must be an amount equal to \$150,000,000 as adjusted by the Commissioner on June 30 of each year to reflect the present value of that amount with respect to the construction cost index.~~

~~4.~~ As used in this section:

(a) ~~“Construction cost index” means the construction cost index published by the Engineering News-Record as a measure of inflation.~~

~~(b)~~ “Estimated total cost” means the estimated cost to complete all parts of a construction project ~~or~~ **or series of projects**, including, without limitation, the cost of:

(1) Designing the project ~~or~~ **or series of projects**;

(2) Acquiring the real property on which the project **or series of projects** will be constructed;

(3) Connecting the project **or series of projects** to utilities;

(4) Excavating and carrying out underground improvements for the project ~~or~~ **or series of projects**; and

(5) Acquiring equipment and furnishings for the project ~~or~~ **or series of projects**.

↪ The term does not include the cost of any fees or charges associated with acquiring the money necessary to complete the project ~~or~~ **or series of projects**.

(b) “Series of projects” means two or more projects of which the same private company, public entity or utility is the owner or principal contractor

~~and [which are specifically identifiable at the time] acts as the sponsor under which a consolidated insurance program is established.~~

~~Sec. 2. [NRS 616B.712 is hereby amended to read as follows:~~

~~616B.712 1. A private carrier who is authorized to transact industrial insurance in this State may contract with a private company, public entity or utility to provide industrial insurance coverage for a consolidated insurance program.~~

~~2. A [private company,] public entity or utility that enters into a contract with a private carrier for the provision of industrial insurance coverage for a consolidated insurance program shall file a copy of the contract with the Commissioner at least 60 days before the date on which the construction project is scheduled to begin.~~

~~3. The Commissioner shall, within 60 days after receiving a copy of a contract pursuant to subsection 2, review and approve or disapprove the contract. If the Commissioner does not disapprove the contract within 60 days after receiving it, the contract shall be deemed approved.] (Deleted by amendment.)~~

Sec. 2.5. NRS 616B.725 is hereby amended to read as follows:

616B.725 1. A consolidated insurance program that a private company, public entity or utility is authorized to establish and administer pursuant to NRS 616B.710 must, in the manner set forth in this section, provide for the safety of an employee of a contractor or subcontractor who is engaged in the construction project when such an employee works at the site of the construction project.

2. The owner or principal contractor of the construction project shall develop and carry out a safety program that includes, without limitation:

(a) The establishment of minimum standards of safety to be observed during construction of the project;

(b) The holding of regular meetings to address and discuss issues related to safety;

(c) Training of contractors and subcontractors regarding issues and procedures related to safety;

(d) Regular inspections of the site of the construction project to identify potential safety hazards and ensure that minimum standards of safety are being observed;

(e) The notification of contractors and subcontractors of special hazards that exist at the site of the construction project, including advice on ways in which the contractors and subcontractors can avoid those hazards; and

(f) The prompt investigation of any injuries that take place at the site of the construction project which result in death or serious bodily injury.

3. The owner or principal contractor of the construction project shall hire or contract with two persons to serve as the primary and alternate coordinators for safety for the construction project. The primary and alternate coordinators for safety must:

(a) Possess credentials in the field of safety that the Administrator determines to be adequate to prepare a person to act as a coordinator for safety for a construction project, including, without limitation, credentials issued by ~~: the~~;

(1) ***The*** Board of Certified Safety Professionals; or

(2) ~~Insurance Institute of America;~~ ***The Institutes***; or

(b) Have at least 3 years of experience in overseeing matters of occupational safety and health in the field of construction that the Administrator determines to be adequate to prepare a person to act as a coordinator for safety for a construction project.

4. The primary and alternate coordinators for safety for the construction project:

(a) Must not serve as coordinators for safety for another construction project that is covered by a different consolidated insurance program;

(b) Shall oversee and enforce the safety program established pursuant to subsection 2, including, without limitation, resolving problems related to the operation of the safety program; and

(c) Shall ensure that the contractors, employers and subcontractors who are engaged in the construction of the project coordinate their efforts regarding issues of occupational safety and health to create and maintain a safe and healthful workplace.

5. The alternate coordinator for safety shall report to the primary coordinator for safety regarding activities that take place at the site of the construction project when the primary coordinator is absent.

6. The owner or principal contractor of the construction project shall ensure that the primary or alternate coordinator for safety for the construction project is physically present at the site of the construction project whenever activity related to construction is taking place at the site.

7. The owner or principal contractor of the construction project shall allow the contractor, employer or subcontractor who employs an employee who is engaged in the construction project to access:

(a) The site of the construction project for the purpose of ensuring the occupational safety and health of the employees of the contractor, employer or subcontractor; and

(b) Any documents relating to claims filed by or on behalf of an employee of the contractor, employer or subcontractor who has been injured on the construction project.

Sec. 3. NRS 616B.727 is hereby amended to read as follows:

616B.727 1. A consolidated insurance program that a private company, public entity or utility is authorized to establish and administer pursuant to NRS 616B.710 must, in the manner set forth in this section, provide for the administration of claims for industrial insurance for an employee of a contractor or subcontractor who is engaged in the construction project when such an employee works at the site of the construction project.

2. The owner or principal contractor of the construction project shall hire or contract with a person to serve as the administrator of claims for industrial insurance for the construction project. ~~Such a person must not serve as an administrator of claims for industrial insurance for another construction project that is covered by a different consolidated insurance program.~~

3. ***Any policy or contract of insurance providing coverage for a consolidated insurance program must be issued by an insurer who is rated A- or better by A.M. Best with a Financial Size Category of Class VII or larger, or the equivalent as determined by the Commissioner.***

4. The administrator of claims for industrial insurance for the construction project who is hired or with whom the owner or principal contractor contracts pursuant to subsection 2 shall:

(a) Assist an employee who is covered under the consolidated insurance program or, in the event of the employee's death, one of the dependents of the employee, in filing a written notice of injury or death as required pursuant to NRS 616C.015 or a written notice of an occupational disease as required pursuant to NRS 617.342;

(b) Sign and file on behalf of a contractor or subcontractor whose employees are covered under the consolidated insurance program an employer's report of industrial injury or occupational disease as required pursuant to NRS 616C.045 or 617.354;

(c) Ensure that an employee who is covered under the consolidated insurance program and who has been injured or who has incurred an occupational disease while working on the construction project is directed to a medical facility that will provide treatment to the employee under the program;

(d) Handle all issues, to the extent reasonably practicable, relating to claims for industrial insurance at the site of the construction project; and

(e) Hire or contract such assistant administrators as may be necessary to carry out the responsibilities of the administrator of claims pursuant to this section.

~~4.1~~ 5. The owner or principal contractor of the construction project shall ensure that the administrator of claims for industrial insurance for the construction project or an assistant administrator is physically present at the site of the construction project whenever activity related to construction is taking place at the site.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 759 to Senate Bill 194 requires private companies to file a copy of a consolidated insurance program contract with the Division of Insurance for approval. The amendment also modifies the definition of "series of projects" to mean "two or more projects of which the same private company, public entity or utility is the owner or principal contractor and acts as the sponsor under which a consolidated insurance program is established."

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 206.

Bill read second time and ordered to third reading.

Senate Bill No. 224.

Bill read second time.

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

Amendment No. 865.

AN ACT relating to employment; establishing a conclusive presumption that a person is an independent contractor if certain conditions are met; excluding the relationship between a principal and an independent contractor from certain provisions governing the payment of minimum wage to an employee; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 16 of Article 15 of the Nevada Constitution defines the term "employee" and requires each employer to pay a certain minimum wage to each employee. Existing law imposes certain additional requirements relating to compensation, wages and hours of employees. (Chapter 608 of NRS) **Section 1** of this bill establishes a conclusive presumption that a person is an independent contractor, rather than an employee, if certain conditions are met. **Section 5** of this bill excludes the relationship between a principal and an independent contractor from those relationships that constitute employment relationships for the purpose of requiring the payment of a minimum wage. **Section 7** of this bill applies the provisions of this bill to any action or proceeding to recover unpaid wages pursuant to a requirement to pay a minimum wage in which a final decision has not been rendered as of the effective date of this bill.

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

Section 1. Chapter 608 of NRS is hereby amended by adding thereto a new section to read as follows:

1. For the purposes of this chapter, a person is conclusively presumed to be an independent contractor if:

(a) Unless the person is a foreign national who is legally present in the United States, the person possesses or has applied for an employer identification number or social security number or has filed an income tax return for a business or earnings from self-employment with the Internal Revenue Service in the previous year;

(b) The person is required by the contract with the principal to hold any necessary state or local business license and to maintain any necessary occupational license, insurance or bonding; ~~that may be required by law~~

~~for the trade or profession in which the person engages pursuant to the contract;~~ and

(c) The person satisfies three or more of the following criteria:

(1) Notwithstanding the exercise of any control necessary to comply with any statutory, regulatory or contractual obligations, the person has control and discretion over the means and manner of the performance of any work and the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the principal in the contract.

(2) Except for an agreement with the principal relating to the completion schedule, range of work hours or, if the work contracted for is entertainment, the time such entertainment is to be presented, the person has control over the time the work is performed.

(3) The person is not required to work exclusively for one principal unless:

(I) A law, regulation or ordinance prohibits the person from providing services to more than one principal; or

(II) The person has entered into a written contract to provide services to only one principal for a limited period.

(4) The person is free to hire employees to assist with the work.

(5) The person contributes a substantial investment of capital in the business of the person, including, without limitation, the ~~purchase~~ ;

(I) Purchase or lease of ordinary tools, material and equipment regardless of source ;

(II) Obtaining of a license or other permission from the principal to access any work space of the principal to perform the work for which the person was engaged; and ~~the lease~~

(III) Lease of any work space from the principal required to perform the work for which the person was engaged.

↪ The determination of whether an investment of capital is substantial for the purpose of this ~~paragraph~~ subparagraph must be made on the basis of the amount of income the person receives, ~~and~~ and the equipment commonly used and the expenses commonly incurred in the trade or profession in which the person engages.

2. The fact that a person is not conclusively presumed to be an independent contractor for failure to satisfy three or more of the criteria set forth in paragraph (c) of subsection 1 does not automatically create a presumption that the person is an employee.

3. As used in this section, “foreign national” has the meaning ascribed to it in NRS 294A.325.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 608.255 is hereby amended to read as follows:

608.255 For the purposes of this chapter and any other statutory or constitutional provision governing the minimum wage paid to an employee, the following relationships do not constitute employment relationships and are therefore not subject to those provisions:

1. The relationship between a rehabilitation facility or workshop established by the Department of Employment, Training and Rehabilitation pursuant to chapter 615 of NRS and an individual with a disability who is participating in a training or rehabilitative program of such a facility or workshop.

2. The relationship between a provider of jobs and day training services which is recognized as exempt pursuant to the provisions of 26 U.S.C. 501(c)(3) and which has been issued a certificate by the Division of Public and Behavioral Health of the Department of Health and Human Services pursuant to NRS 435.130 to 435.310, inclusive, and a person with an intellectual disability or a person with a related condition participating in a jobs and day training services program.

3. *The relationship between a principal and an independent contractor.*

Sec. 6. (Deleted by amendment.)

Sec. 7. The amendatory provisions of this act apply to an action or proceeding to recover unpaid wages pursuant to Section 16 of Article 15 of the Nevada Constitution or NRS 608.250 to 608.290, inclusive, in which a final decision has not been rendered before, on or after the effective date of this act.

Sec. 8. This act becomes effective upon passage and approval.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 865 to Senate Bill 224 modifies the factors used to determine whether a person's investment in his or her business is a substantial investment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 233.

Bill read second time.

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

Amendment No. 724.

AN ACT relating to occupational safety; ~~revising~~ **removing** provisions governing the expiration and renewal of certain completion cards obtained by construction workers and supervisory employees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each construction worker and supervisory employee to obtain, within 15 days after the date he or she is hired, a completion card for taking a course in construction industry safety and health hazard recognition

which is: (1) developed by the Occupational Safety and Health Administration of the United States Department of Labor; and (2) approved by the Division of Industrial Relations of the Department of Business and Industry. Each completion card obtained by a construction worker or supervisory employee expires 5 years after the date it is issued and may be renewed by: (1) completing another such course in construction industry safety and health hazard recognition within the previous 5 years; or (2) completing certain requirements for continuing education within that period. (NRS 618.983) This bill provides that a completion card obtained by a construction worker or supervisory employee does not expire or require renewal. ~~[This bill also provides that each completion card obtained by a supervisory employee expires 10 years, rather than 5 years, after the date it is issued and may be renewed by completing another such course or completing those requirements for continuing education within the previous 10 years.]~~

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

Section 1. NRS 618.977 is hereby amended to read as follows:

618.977 1. The Division shall, by regulation, approve OSHA-10 courses and OSHA-30 courses for the purposes of fulfilling the requirements of NRS 618.983.

2. The Division shall establish a registry to track the providers of courses approved pursuant to subsection 1.

~~[3. The Division shall adopt regulations that set forth guidelines for job-specific training to qualify as continuing education for the purposes of NRS 618.983.]~~

~~[Section 1.]~~ **Sec. 2.** NRS 618.983 is hereby amended to read as follows:

618.983 1. Not later than 15 days after the date a construction worker other than a supervisory employee is hired, the construction worker must obtain a completion card for an OSHA-10 course which is issued upon completion of a course approved by the Division pursuant to NRS 618.977.

2. Not later than 15 days after the date a supervisory employee is hired, the supervisory employee must obtain a completion card for an OSHA-30 course which is issued upon completion of a course approved by the Division pursuant to NRS 618.977.

~~[3. Any completion card used to satisfy the requirements of this section subsection 2 expires 5-10 years after the date it is issued and may be renewed by:~~

~~—(a) Completing an OSHA 10 course or OSHA 30 course, as applicable, within the previous 5-10 years; or~~

~~—(b) Providing proof satisfactory to the Division that the construction worker supervisory employee has completed continuing education within the previous 5-10 years consisting of job-specific training that meets the guidelines established by the Division pursuant to NRS 618.977 in an amount of:~~

~~— (1) For a completion card issued for an OSHA 10 course, not less than 5 hours; or~~

~~— (2) For a completion card issued for an OSHA 30 course, not less than 15 hours.~~

~~[Sec. 2.]~~ **Sec. 3.** This act becomes effective upon passage and approval.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 724 to Senate Bill 233 provides that a completion card received by a supervisory employee for completing an OSHA-30 course does not expire or require renewal.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 247.

Bill read second time.

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

Amendment No. 783.

AN ACT relating to public health; providing for the expenditure of certain application fees; prohibiting certain expenditures for new construction by or on behalf of a health facility in certain less populated areas without the approval of the Director of the Department of Health and Human Services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Department of Health and Human Services to collect an application fee from persons who apply for approval of certain projects and services. (NRS 439A.081) **Section 1** of this bill provides for the deposit of those fees and requires those fees to be used to administer the state administrative program relating to health planning and development. **Section 1** also provides that the fees revert to the State General Fund if the money received from the fees collected is not spent 2 fiscal years after the fees were originally paid.

Existing law prohibits a person from spending more than \$2,000,000 or an amount specified by the Department for new construction by or on behalf of a health facility in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe Counties) without the approval of the Director of the Department. This requirement does not apply to construction for purposes unrelated to the provision of health services, renovation and maintenance, a project approved by the Legislature or the construction of a hospital in certain large unincorporated towns that do not already have a hospital. (NRS 439A.100) A person who violates this prohibition is subject to a civil penalty and the rejection of an application for a license to operate a medical facility or the suspension or revocation of such a license. (NRS 439A.310, 449.080, 449.087, 449.089, 449.160) **Section 2** of this bill

~~[deletes the restriction concerning counties whose population is less than 100,000 and] also prohibits any such expenditure, without the approval of the Director, for new construction by or on behalf of a health facility ~~[unless the construction] that~~ will occur in an incorporated city or unincorporated town whose population is ~~160,000 or more (currently the Cities of Henderson, Las Vegas, North Las Vegas, Reno and Sparks) or meets one of the other currently listed exceptions. Section 2 also deletes the exception from this requirement for the construction of a hospital in certain large unincorporated towns that do not have a hospital.] less than 25,000 that is located in a county whose population is 100,000 or more.~~ Finally, **section 2** requires the Director to consider certain criteria when deciding whether to approve a project.~~

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

Section 1. NRS 439A.081 is hereby amended to read as follows:

439A.081 1. The Department is the agency of the State of Nevada for health planning and development, and shall carry out the state administrative program and perform the functions of health planning and development for the State in accordance with the following priorities:

- (a) Providing for the effective use of methods for controlling increases in the cost of health care;
- (b) Providing for the adequate supply and distribution of health resources;
- (c) Providing for equal access to health care of good quality at a reasonable cost; and
- (d) Providing education to the public regarding proper personal health care and methods for the effective use of available health services.

2. In order to carry out the provisions of this chapter, the Director may:

- (a) Delegate the duties of the Director and the Department pursuant to this chapter to any of the divisions of the Department;
- (b) Hire employees in the classified service;
- (c) Adopt such regulations as are necessary; and
- (d) Apply for, accept and disburse money granted by the Federal Government for the purposes of health planning and development.

3. The Department may, by regulation, fix fees to be collected from applicants seeking approval of proposed health facilities or services. The amounts of such fees must be based upon the Department's costs of examining and acting upon the applications.

4. *Any application fees collected pursuant to subsection 3 are not refundable and must be deposited in the State Treasury and accounted for separately in the State General Fund. Any interest and income earned on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of a fiscal year does not revert to the State General Fund and the balance in the account must be carried forward to the next fiscal year. Any money remaining in the account that is not committed for expenditure after 2 fiscal*

years following the date on which the money is paid as a fee reverts to the State General Fund. All claims against the account must be paid as other claims against the State are paid. The money in the account must be used to pay the costs of administering the state administrative program.

5. In developing and revising any state plan for health planning and development, the Department shall consider, among other things, the amount of money available from the Federal Government for health planning and development and the conditions attached to the acceptance of that money, and the limitations of legislative appropriations for health planning and development.

Sec. 2. NRS 439A.100 is hereby amended to read as follows:

439A.100 1. Except as otherwise provided in this section, in a county whose population is less than 100,000, or in an incorporated city or unincorporated town whose population is less than 25,000 that is located in a county whose population is 100,000 or more, no person may undertake any proposed expenditure for new construction by or on behalf of a health facility in excess of the greater of \$2,000,000 or such an amount as the Department may specify by regulation, which under generally accepted accounting principles consistently applied is a capital expenditure, without first applying for and obtaining the written approval of the Director. The Division of Public and Behavioral Health of the Department shall not issue a new license or alter an existing license for such a project unless the Director has issued such an approval.

2. The provisions of subsection 1 do not apply to:

(a) Any capital expenditure for:

- (1) The acquisition of land;
- (2) The construction of a facility for parking;
- (3) The maintenance of a health facility;
- (4) The renovation of a health facility to comply with standards for safety, licensure, certification or accreditation;
- (5) The installation of a system to conserve energy;
- (6) The installation of a system for data processing or communication; or
- (7) Any other project which, in the opinion of the Director, does not relate directly to the provision of any health service;

(b) Any project for the development of a health facility that has received legislative approval and authorization; or

(c) A project for the construction of a hospital in an unincorporated town if:

- (1) The population of the unincorporated town is more than 24,000;
- (2) No other hospital exists in the town;
- (3) No other hospital has been approved for construction or qualified for an exemption from approval for construction in the town pursuant to this section; and
- (4) The unincorporated town is at least a 45-minute drive from the nearest center for the treatment of trauma that is licensed by the Division of Public and Behavioral Health of the Department. ~~(Any proposed expenditure for new~~

~~construction by or on behalf of a health facility that will occur in an incorporated city or unincorporated town whose population is 60,000 or more.~~

↪ Upon determining that a project satisfies the requirements for an exemption pursuant to this subsection, the Director shall issue a certificate which states that the project is exempt from the requirements of this section.

3. In reviewing an application for approval, the Director shall:

(a) Comparatively assess applications for similar projects affecting the same geographic area; and

(b) Base his or her decision on criteria established by the Director by regulation. The criteria must include:

(1) The need for and the appropriateness of the project in the area to be served;

(2) The financial feasibility of the project;

(3) The effect of the project on the cost of health care; and

(4) The extent to which the project is consistent with the purposes set forth in NRS 439A.020 and the priorities set forth in NRS 439A.081 ~~1~~ , including, without limitation:

(I) The impact of the project on other health care facilities;

(II) The need for any equipment that the project proposes to add, the manner in which such equipment will improve the quality of health care and any protocols provided in the project for avoiding repetitive testing;

(III) The impact of the project on disparate health outcomes for different populations in the area that will be served by the project;

(IV) The manner in which the project will expand, promote or enhance the capacity to provide primary health care in the area that will be served by the project;

(V) Any plan by the applicant to collect and analyze data concerning the effect of the project on health care quality and patient outcomes in the area served by the project;

(VI) Any plan by the applicant for controlling the spread of infectious diseases; and

(VII) The manner in which the applicant will coordinate with and support existing health facilities and practitioners, including, without limitation, mental health facilities, programs for the treatment and prevention of substance abuse and providers of nursing pools, as defined in NRS 449.0153, services.

4. The Department may by regulation require additional approval for a proposed change to a project which has previously been approved if the proposal would result in a change in the location of the project or a substantial increase in the cost of the project.

5. The decision of the Director is a final decision for the purposes of judicial review.

6. As used in this section, “hospital” has the meaning ascribed to it in NRS 449.012.

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

Assemblyman Oscarson moved the adoption of the amendment.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

This amendment requires provisions of the bill to apply to a county whose population is less than 100,000 or an incorporated city or unincorporated town whose population is less than 25,000 that is located in a county whose population is 100,000 or more.

The amendment does exempt from approval a project for the construction of a hospital in an unincorporated town that meets certain conditions. The amendment replaces references of “nursing pool” with the term “providers of nursing services.”

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 250.

Bill read second time.

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

Amendment No. 758.

AN ACT relating to insurance; requiring certain policies of health insurance and health care plans to provide coverage for certain prescriptions dispensed for a supply of less than 30 days; prohibiting certain policies of health insurance and health care plans from prorating any pharmacy dispensing fees for those prescriptions ~~if~~ **under certain circumstances**; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires certain public and private policies of insurance and health care plans to provide coverage for certain procedures, including colorectal cancer screenings, cytological screening tests and mammograms, in certain circumstances. (NRS 287.027, 287.04335, 689A.04042, 689A.0405, 689B.0367, 689B.0374, 695B.1907, 695B.1912, 695C.1731, 695C.1735, 695G.168) Existing law also requires employers to provide certain benefits to employees, including coverage for the procedures required to be covered by insurers, if the employer provides health benefits for its employees. (NRS 608.1555) **Sections 1, 3, 4, 6, 7, 10 and 11** of this bill require that certain public and private policies of insurance and health care plans must authorize certain prescriptions to be divided into more than one dispensing for the purpose of synchronizing a patient’s multiple prescriptions. **Sections 1, 3, 4, 6, 7, 10 and 11** prohibit these policies and plans from denying a claim for such a prescription that is otherwise covered. Finally, **sections 1, 3, 4, 6, 7, 10 and 11** prohibit these policies and plans from prorating the pharmacy dispensing fees for such prescriptions ~~if~~ **unless otherwise provided by a contract or other agreement.**

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

Section 1. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer who offers or issues a policy of health insurance which provides coverage for prescription drugs:

(a) Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the insured's chronic medications:

(1) The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the insured; and

(2) The insured requests less than a 30-day supply.

(b) May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the insurer.

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. A policy subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the policy or renewal which is in conflict with this section is void.

3. The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.

4. As used in this section:

(a) "Chronic medication" means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.

(b) "Synchronization" means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient's adherence to a prescribed course of medication.

(c) "Unit-of-use packaging" means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.

Sec. 2. NRS 689A.330 is hereby amended to read as follows:

689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive ~~1~~, **and section 1 of this act.**

Sec. 3. Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:

1. An insurer who offers or issues a policy of group health insurance which provides coverage for prescription drugs:

(a) Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the insured's chronic medications:

(1) The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the insured; and

(2) The insured requests less than a 30-day supply.

(b) May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the insurer.

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. A policy subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the policy or renewal which is in conflict with this section is void.

3. The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.

4. As used in this section:

(a) "Chronic medication" means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.

(b) "Synchronization" means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient's adherence to a prescribed course of medication.

(c) "Unit-of-use packaging" means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.

Sec. 4. Chapter 689C of NRS is hereby amended by adding thereto a new section to read as follows:

1. A carrier who offers or issues a health benefit plan which provides coverage for prescription drugs:

(a) Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the insured's chronic medications:

(1) The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the insured; and

(2) *The insured requests less than a 30-day supply.*

(b) *May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the carrier.*

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. *A health benefit plan subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the health benefit plan or renewal which is in conflict with this section is void.*

3. *The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.*

4. *As used in this section:*

(a) *“Chronic medication” means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.*

(b) *“Synchronization” means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient’s adherence to a prescribed course of medication.*

(c) *“Unit-of-use packaging” means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.*

Sec. 5. NRS 689C.425 is hereby amended to read as follows:

689C.425 A voluntary purchasing group and any contract issued to such a group pursuant to NRS 689C.360 to 689C.600, inclusive, are subject to the provisions of NRS 689C.015 to 689C.355, inclusive, **and section 4 of this act** to the extent applicable and not in conflict with the express provisions of NRS 687B.408 and 689C.360 to 689C.600, inclusive.

Sec. 6. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A hospital or medical services corporation who offers or issues a policy of health insurance which provides coverage for prescription drugs:*

(a) *Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the insured’s chronic medications:*

(1) *The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the insured; and*

(2) *The insured requests less than a 30-day supply.*

(b) *May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the hospital or medical services corporation.*

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. *A policy of health insurance subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the policy of health insurance or renewal which is in conflict with this section is void.*

3. *The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.*

4. *As used in this section:*

(a) *“Chronic medication” means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.*

(b) *“Synchronization” means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient’s adherence to a prescribed course of medication.*

(c) *“Unit-of-use packaging” means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.*

Sec. 7. Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A health maintenance organization that offers or issues a health care plan which provides coverage for prescription drugs:*

(a) *Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the enrollee’s chronic medications:*

(1) *The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the enrollee; and*

(2) *The enrollee requests less than a 30-day supply.*

(b) *May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the health maintenance organization.*

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. *An evidence of coverage subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued*

for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the evidence of coverage or renewal which is in conflict with this section is void.

3. *The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.*

4. *As used in this section:*

(a) *“Chronic medication” means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.*

(b) *“Synchronization” means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient’s adherence to a prescribed course of medication.*

(c) *“Unit-of-use packaging” means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.*

Sec. 8. NRS 695C.050 is hereby amended to read as follows:

695C.050 1. Except as otherwise provided in this chapter or in specific provisions of this title, the provisions of this title are not applicable to any health maintenance organization granted a certificate of authority under this chapter. This provision does not apply to an insurer licensed and regulated pursuant to this title except with respect to its activities as a health maintenance organization authorized and regulated pursuant to this chapter.

2. Solicitation of enrollees by a health maintenance organization granted a certificate of authority, or its representatives, must not be construed to violate any provision of law relating to solicitation or advertising by practitioners of a healing art.

3. Any health maintenance organization authorized under this chapter shall not be deemed to be practicing medicine and is exempt from the provisions of chapter 630 of NRS.

4. The provisions of NRS 695C.110, 695C.125, 695C.1691, 695C.1693, 695C.170 to 695C.173, inclusive, 695C.1733 to 695C.200, inclusive, and 695C.265 do not apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children’s Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt a health maintenance organization from any provision of this chapter for services provided pursuant to any other contract.

5. The provisions of NRS 695C.1694, 695C.1695 and 695C.1731 **and section 7 of this act** apply to a health maintenance organization that provides health care services through managed care to recipients of Medicaid under the State Plan for Medicaid.

Sec. 9. NRS 695C.330 is hereby amended to read as follows:

695C.330 1. The Commissioner may suspend or revoke any certificate of authority issued to a health maintenance organization pursuant to the provisions of this chapter if the Commissioner finds that any of the following conditions exist:

(a) The health maintenance organization is operating significantly in contravention of its basic organizational document, its health care plan or in a manner contrary to that described in and reasonably inferred from any other information submitted pursuant to NRS 695C.060, 695C.070 and 695C.140, unless any amendments to those submissions have been filed with and approved by the Commissioner;

(b) The health maintenance organization issues evidence of coverage or uses a schedule of charges for health care services which do not comply with the requirements of NRS 695C.1691 to 695C.200, inclusive, **and section 7 of this act** or 695C.207;

(c) The health care plan does not furnish comprehensive health care services as provided for in NRS 695C.060;

(d) The Commissioner certifies that the health maintenance organization:

(1) Does not meet the requirements of subsection 1 of NRS 695C.080; or

(2) Is unable to fulfill its obligations to furnish health care services as required under its health care plan;

(e) The health maintenance organization is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(f) The health maintenance organization has failed to put into effect a mechanism affording the enrollees an opportunity to participate in matters relating to the content of programs pursuant to NRS 695C.110;

(g) The health maintenance organization has failed to put into effect the system required by NRS 695C.260 for:

(1) Resolving complaints in a manner reasonably to dispose of valid complaints; and

(2) Conducting external reviews of adverse determinations that comply with the provisions of NRS 695G.241 to 695G.310, inclusive;

(h) The health maintenance organization or any person on its behalf has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive or unfair manner;

(i) The continued operation of the health maintenance organization would be hazardous to its enrollees;

(j) The health maintenance organization fails to provide the coverage required by NRS 695C.1691; or

(k) The health maintenance organization has otherwise failed to comply substantially with the provisions of this chapter.

2. A certificate of authority must be suspended or revoked only after compliance with the requirements of NRS 695C.340.

3. If the certificate of authority of a health maintenance organization is suspended, the health maintenance organization shall not, during the period of that suspension, enroll any additional groups or new individual contracts, unless those groups or persons were contracted for before the date of suspension.

4. If the certificate of authority of a health maintenance organization is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization. It shall engage in no further advertising or solicitation of any kind. The Commissioner may, by written order, permit such further operation of the organization as the Commissioner may find to be in the best interest of enrollees to the end that enrollees are afforded the greatest practical opportunity to obtain continuing coverage for health care.

Sec. 10. Chapter 695G of NRS is hereby amended by adding thereto a new section to read as follows:

1. A managed care organization that offers or issues a health care plan which provides coverage for prescription drugs:

(a) Must authorize coverage for and may apply a copayment and deductible to a prescription that is dispensed by a pharmacy for less than a 30-day supply if, for the purpose of synchronizing the insured's chronic medications:

(1) The prescriber or pharmacist determines that filling or refilling the prescription in that manner is in the best interest of the insured; and

(2) The insured requests less than a 30-day supply.

(b) May not deny coverage for a prescription described in paragraph (a) which is otherwise approved for coverage by the managed care organization.

(c) ~~May~~ Unless otherwise provided by a contract or other agreement, may not prorate any pharmacy dispensing fees for a prescription described in paragraph (a).

2. An evidence of coverage subject to the provisions of this chapter which provides coverage for prescription drugs and that is delivered, issued for delivery or renewed on or after January 1, 2017, has the legal effect of providing that coverage subject to the requirements of this section, and any provision of the evidence of coverage or renewal which is in conflict with this section is void.

3. The provisions of this section do not apply to unit-of-use packaging for which synchronization is not practicable or to a controlled substance.

4. As used in this section:

(a) "Chronic medication" means any drug that is prescribed to treat any disease or other condition which is determined to be permanent, persistent or lasting indefinitely.

(b) "Synchronization" means the alignment of the dispensing of multiple medications by a single contracted pharmacy for the purpose of improving a patient's adherence to a prescribed course of medication.

(c) *“Unit-of-use packaging” means medication that is prepackaged by the manufacturer in blister packs, compliance packs, course-of-therapy packs or any other packaging which is designed and intended to be dispensed directly to the patient without modification by the dispensing pharmacy, except for the addition of a prescription label.*

Sec. 11. NRS 287.010 is hereby amended to read as follows:

287.010 1. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada may:

(a) Adopt and carry into effect a system of group life, accident or health insurance, or any combination thereof, for the benefit of its officers and employees, and the dependents of officers and employees who elect to accept the insurance and who, where necessary, have authorized the governing body to make deductions from their compensation for the payment of premiums on the insurance.

(b) Purchase group policies of life, accident or health insurance, or any combination thereof, for the benefit of such officers and employees, and the dependents of such officers and employees, as have authorized the purchase, from insurance companies authorized to transact the business of such insurance in the State of Nevada, and, where necessary, deduct from the compensation of officers and employees the premiums upon insurance and pay the deductions upon the premiums.

(c) Provide group life, accident or health coverage through a self-insurance reserve fund and, where necessary, deduct contributions to the maintenance of the fund from the compensation of officers and employees and pay the deductions into the fund. The money accumulated for this purpose through deductions from the compensation of officers and employees and contributions of the governing body must be maintained as an internal service fund as defined by NRS 354.543. The money must be deposited in a state or national bank or credit union authorized to transact business in the State of Nevada. Any independent administrator of a fund created under this section is subject to the licensing requirements of chapter 683A of NRS, and must be a resident of this State. Any contract with an independent administrator must be approved by the Commissioner of Insurance as to the reasonableness of administrative charges in relation to contributions collected and benefits provided. The provisions of NRS 687B.408, 689B.030 to 689B.050, inclusive, **and section 3 of this act** and 689B.287 apply to coverage provided pursuant to this paragraph.

(d) Defray part or all of the cost of maintenance of a self-insurance fund or of the premiums upon insurance. The money for contributions must be budgeted for in accordance with the laws governing the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada.

2. If a school district offers group insurance to its officers and employees pursuant to this section, members of the board of trustees of the school district

must not be excluded from participating in the group insurance. If the amount of the deductions from compensation required to pay for the group insurance exceeds the compensation to which a trustee is entitled, the difference must be paid by the trustee.

3. In any county in which a legal services organization exists, the governing body of the county, or of any school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada in the county, may enter into a contract with the legal services organization pursuant to which the officers and employees of the legal services organization, and the dependents of those officers and employees, are eligible for any life, accident or health insurance provided pursuant to this section to the officers and employees, and the dependents of the officers and employees, of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency.

4. If a contract is entered into pursuant to subsection 3, the officers and employees of the legal services organization:

(a) Shall be deemed, solely for the purposes of this section, to be officers and employees of the county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency with which the legal services organization has contracted; and

(b) Must be required by the contract to pay the premiums or contributions for all insurance which they elect to accept or of which they authorize the purchase.

5. A contract that is entered into pursuant to subsection 3:

(a) Must be submitted to the Commissioner of Insurance for approval not less than 30 days before the date on which the contract is to become effective.

(b) Does not become effective unless approved by the Commissioner.

(c) Shall be deemed to be approved if not disapproved by the Commissioner within 30 days after its submission.

6. As used in this section, “legal services organization” means an organization that operates a program for legal aid and receives money pursuant to NRS 19.031.

Sec. 12. NRS 287.04335 is hereby amended to read as follows:

287.04335 If the Board provides health insurance through a plan of self-insurance, it shall comply with the provisions of NRS 689B.255, 695G.150, 695G.160, 695G.164, 695G.1645, 695G.167, 695G.170, 695G.171, 695G.173, 695G.177, 695G.200 to 695G.230, inclusive, 695G.241 to 695G.310, inclusive, and 695G.405, **and section 10 of this act** in the same manner as an insurer that is licensed pursuant to title 57 of NRS is required to comply with those provisions.

Sec. 13. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 14. This act becomes effective:

1. Upon passage and approval for the purposes of adopting any regulations and performing any preparatory administrative tasks necessary to carry out the provisions of this act; and

2. On January 1, 2017, for all other purposes.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 758 to Senate Bill 250 allows an insurer to prorate any pharmacy dispensing fees for a prescription if the proration is provided for by contract or other agreement.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 329.

Bill read second time and ordered to third reading.

Senate Bill No. 330.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 750.

AN ACT relating to education; authorizing a pupil or school to appeal a final decision or order made pursuant to a regulation adopted by the Nevada Interscholastic Activities Association to a hearing officer appointed by the Executive Director of the Association; establishing certain procedural requirements for the disposition of the appeal; requiring that certain rules and regulations adopted by the Association must apply equally to public schools and private schools that are members of the Association; authorizing a pupil who enrolls in a private school or public school to be immediately eligible to participate and practice in a sanctioned sport under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Nevada Interscholastic Activities Association for the purpose of controlling, supervising and regulating interscholastic athletic events in public schools and further authorizes the Association to adopt rules and regulations for that purpose. (NRS 386.420-386.470) Generally, under the existing regulations of the Association, an aggrieved pupil or school may appeal any determination made pursuant to a regulation adopted by the Association. (NAC 386.850) Such an appeal is considered initially by an administrator of the school district who is responsible for interpreting and enforcing the regulations of the Association, a panel of principals chosen from the schools located in the school district or the Executive Director of the Association. (NAC 386.852, 386.853) A further appeal may be taken to a hearing officer appointed by the Executive Director. (NAC 386.855) **Section 5** of this bill authorizes a pupil or school that is aggrieved by a final decision or order of an administrator, a panel of principals or the Executive Director to appeal the decision or order to a hearing officer appointed by the Executive

Director. **Section 5** establishes certain procedural requirements regarding the disposition of the appeal, including requirements for making the decision of the hearing officer public and accessible in a format that protects the identity of any minor involved in the appeal.

Section 6 of this bill provides that any rules and regulations adopted by the Association governing the eligibility of a pupil who transfers from one ~~[high]~~ school to another ~~[high]~~ school to participate ~~for practice in a sanctioned sport~~ in an interscholastic activity or event must apply equally to public schools and private schools that are members of the Association. **Section 6.5** of this bill provides that a pupil who enrolls in the 9th grade at: (1) a public school is immediately eligible to participate and practice in a sanctioned sport at the school if the pupil resides within the zone of attendance of the school at the time of enrollment, regardless of whether the pupil resided in a different zone of attendance or attended a school other than a public school before enrollment in the 9th grade; and (2) a private school is immediately eligible to participate and practice in a sanctioned sport at the school, regardless of whether the pupil attended a school other than a private school before enrollment in the 9th grade.

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

Section 1. Chapter 386 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6.5, inclusive, of this act.

Sec. 2. *As used in NRS 386.420 to 386.470, inclusive, and sections 2 to 6.5, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 3.5 and 4 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Pupil” means a student of a school or a child that receives instruction at home and is excused from compulsory attendance pursuant to NRS 392.070.*

Sec. 3.5. *“Sanctioned sport” means any athletic competition that is approved by the Nevada Interscholastic Activities Association.*

Sec. 4. *“School” means any school that is affiliated with or is a member of the Nevada Interscholastic Activities Association.*

Sec. 5. 1. *Any pupil or school that is aggrieved by a final decision or order made pursuant to a regulation adopted by the Nevada Interscholastic Activities Association by:*

(a) An administrator of a school district who is responsible for interpreting and enforcing the regulations adopted by the Nevada Interscholastic Activities Association;

(b) A panel of principals chosen from schools located in a school district;
or

(c) The Executive Director,

↪ may file a written appeal with the Executive Director. The Executive Director shall appoint a hearing officer to review the decision or order that is the subject of the appeal.

2. A hearing officer appointed pursuant to subsection 1 shall issue a decision or order in writing and shall cause a copy of the decision or order to be served on each party to the appeal or counsel for the party. The decision or order must include a summary of the appeal that includes:

- (a) A statement of the relevant facts;
- (b) A statement of the issues presented and the opposing arguments of the parties;
- (c) An analysis of the arguments; and
- (d) The conclusion of the hearing officer.

3. Not later than 10 days after the issuance of the decision or order of the hearing officer, the Executive Director shall cause a copy of the summary required by subsection 2 to be posted on the Internet website of the Nevada Interscholastic Activities Association. The summary must be redacted as necessary to prevent the identification of any person involved in the appeal who is less than 18 years of age ~~18~~, which information is confidential. The redacted summary is a public record and must be open to public inspection as provided in NRS 239.010.

4. As used in this section, "Executive Director" means the Executive Director of the Nevada Interscholastic Activities Association.

Sec. 6. Any rules and regulations adopted by the Nevada Interscholastic Activities Association governing the eligibility of a pupil who transfers from one school to another school to participate ~~for practice in a sanctioned sport during the period in which the pupil is enrolled in grade 9, 10, 11 or 12~~ in an interscholastic activity or event must apply equally to public schools and to private schools that are members of the Association.

Sec. 6.5. 1. A pupil who enrolls in grade 9 at:

(a) A public school and who resides within the zone of attendance of the public school at the time of enrollment is immediately eligible to participate and practice in a sanctioned sport at the public school, regardless of whether the pupil:

(1) Resided in a different zone of attendance before the pupil's enrollment in grade 9; or

(2) Attended a school other than a public school before the pupil's enrollment in grade 9.

(b) A private school is immediately eligible to participate and practice in a sanctioned sport at the private school, regardless of whether the pupil attended a school other than a private school before the pupil's enrollment in grade 9.

2. As used in this section, "zone of attendance" means the region established by the board of trustees of a school district or governing board of a charter school for the attendance of a pupil enrolled in the school.

Sec. 7. NRS 386.430 is hereby amended to read as follows:

386.430 1. The Nevada Interscholastic Activities Association shall adopt rules and regulations in the manner provided for state agencies by chapter 233B of NRS as may be necessary to carry out the provisions of NRS 386.420 to 386.470, inclusive ~~1-1~~, **and sections 2 to 6.5, inclusive, of this act**. The regulations must include provisions governing the eligibility and participation of homeschooled children in interscholastic activities and events. In addition to the regulations governing eligibility, a homeschooled child who wishes to participate must have on file with the school district in which the child resides a current notice of intent of a homeschooled child to participate in programs and activities pursuant to NRS 392.705.

2. The Nevada Interscholastic Activities Association shall adopt regulations setting forth:

(a) The standards of safety for each event, competition or other activity engaged in by a spirit squad of a school that is a member of the Nevada Interscholastic Activities Association, which must substantially comply with the spirit rules of the National Federation of State High School Associations, or its successor organization; and

(b) The qualifications required for a person to become a coach of a spirit squad.

3. If the Nevada Interscholastic Activities Association intends to adopt, repeal or amend a policy, rule or regulation concerning or affecting homeschooled children, the Association shall consult with the Northern Nevada Homeschool Advisory Council and the Southern Nevada Homeschool Advisory Council, or their successor organizations, to provide those Councils with a reasonable opportunity to submit data, opinions or arguments, orally or in writing, concerning the proposal or change. The Association shall consider all written and oral submissions respecting the proposal or change before taking final action.

4. As used in this section, “spirit squad” means any team or other group of persons that is formed for the purpose of:

(a) Leading cheers or rallies to encourage support for a team that participates in a sport that is sanctioned by the Nevada Interscholastic Activities Association; or

(b) Participating in a competition against another team or other group of persons to determine the ability of each team or group of persons to engage in an activity specified in paragraph (a).

Sec. 8. NRS 386.462 is hereby amended to read as follows:

386.462 1. A homeschooled child must be allowed to participate in interscholastic activities and events in accordance with the regulations adopted by the Nevada Interscholastic Activities Association pursuant to NRS 386.430 if a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district in which the child resides for the current school year pursuant to NRS 392.705.

2. The provisions of NRS 386.420 to 386.470, inclusive, **and sections 2 to 6.5, inclusive, of this act** and the regulations adopted pursuant thereto that

apply to pupils enrolled in public schools who participate in interscholastic activities and events apply in the same manner to homeschooled children who participate in interscholastic activities and events, including, without limitation, provisions governing:

- (a) Eligibility and qualifications for participation;
- (b) Fees for participation;
- (c) Insurance;
- (d) Transportation;
- (e) Requirements of physical examination;
- (f) Responsibilities of participants;
- (g) Schedules of events;
- (h) Safety and welfare of participants;
- (i) Eligibility for awards, trophies and medals;
- (j) Conduct of behavior and performance of participants; and
- (k) Disciplinary procedures.

Sec. 9. (Deleted by amendment.)

Sec. 9.5. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1A.110, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 130.312, 159.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179A.450, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 242.105, 244.264, 244.335, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910, 271A.105, 281.195, 281A.350, 281A.440, 281A.550, 284.4068, 286.110, 287.0438, 289.025, 289.080, 289.387, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180, 372A.080, 378.290, 378.300, 379.008, 386.655, 387.626, 387.631, 388.5275, 388.528, 388.5315, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 392.652, 392.850, 394.167, 394.1698, 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535, 398.403, 408.3885, 408.3886, 412.153, 416.070, 422.290, 422.305, 422A.320, 422A.350,

425.400, 427A.1236, 427A.872, 432.205, 432B.175, 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 433.534, 433A.360, 439.270, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 453.1545, 453.720, 453A.610, 453A.700, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 467.137, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.583, 584.655, 598.0964, 598.0979, 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.310, 623.131, 623A.353, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.212, 634.214, 634A.185, 635.158, 636.107, 637.085, 637A.315, 637B.288, 638.087, 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730, 640C.400, 640C.745, 640C.760, 640D.190, 640E.340, 641.090, 641A.191, 641B.170, 641C.760, 642.524, 643.189, 644.446, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.430, 675.380, 676A.340, 676A.370, 677.243, 679B.122, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.280, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010, 688C.230, 688C.480, 688C.490, 692A.117, 692C.190, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 710.159, **and 711.600, and section 5 of this act**, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the

governmental entity can redact, delete, conceal or separate the confidential information from the information included in the public book or record that is not otherwise confidential.

4. A person may request a copy of a public record in any medium in which the public record is readily available. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in a readily available medium because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 10. 1. This section and section 6 of this act become effective upon passage and approval.

2. Sections 1 to 5, inclusive, and sections 6.5 to 9.5, inclusive, of this act become effective:

(a) 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

(b) On January 1, 2016, for all other purposes.

Assemblywoman Woodbury moved the adoption of the amendment.

Remarks by Assemblywoman Woodbury.

ASSEMBLYWOMAN WOODBURY:

Amendment 750 revises the bill so that any rules and regulations adopted by the Nevada Interscholastic Activities Association governing the eligibility of a pupil who transfers from one school to another school to participate in an interscholastic activity or event must apply equally to public schools and to private schools that are members of the Association.

The amendment further clarifies the summary required in the bill must be redacted as necessary to prevent the identification of any person involved in the appeal who is less than 18 years of age, which information is confidential.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 341.

Bill read second time.

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

Amendment No. 841.

AN ACT relating to dentists; ~~revising provisions relating to insurers who offer individual health insurance, insurers who offer group health insurance, nonprofit corporations for dental service, health maintenance organizations and organizations for dental care;~~ establishing requirements relating to ~~the use of a network of~~ **contracts between** dentists ~~by a third party;~~ **and a medical discount plan;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, a person who wishes to ~~provide coverage for dental care may obtain a certificate of authority from the Commissioner of Insurance and may contract with dentists to provide dental care. (NRS 695D.110, 695D.225)~~ Section 10 of this bill requires that an organization for dental care which enters into an agreement with a third party to provide access to dentists to comply with certain requirements. Section 11 of this bill requires the organization for dental care to provide the dentist with a notice containing certain information. Section 11 also requires such a third party to maintain a website or toll-free telephone number for dentists to obtain contact information for the person used by the third party to reimburse the dentist for covered services. Section 11 also prohibits the assignment or sale of a contract which includes a dentist that would hinder the ability of the dentist to manage his or her practice. Sections 1 and 2 of this bill apply similar provisions to an insurer who offers a policy of individual health insurance. Sections 4 and 5 of this bill apply similar provisions to an insurer who offers a policy of group health insurance. Sections 6 and 7 of this bill apply similar provisions to a nonprofit corporation for dental service. Sections 8 and 9 of this bill apply similar provisions to a health maintenance organization. **offer, market, sell or engage in business as a medical discount plan in this State must be registered with the Commissioner of Insurance. (NRS 695H.080) This bill requires a medical discount plan that contracts directly with a dentist to: (1) notify the dentist whether the contract may be assigned to a third party; and (2) maintain a toll-free telephone number for the dentist to obtain information about the medical discount plan. This bill allows a contract between a medical discount plan and a dentist to be assigned only if the contract expressly authorizes the assignment of the contract. This bill also requires a medical discount plan to which a contract with a dentist is assigned to provide a notice of inclusion to the dentist and prohibits the medical discount plan from requiring the dentist to perform pursuant to the assigned contract unless such a notice is given.**

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

Section 1. ~~{Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~**For the purpose of the contract between an insurer and a dentist, a third party who enters into an agreement with an insurer to access dentists within a network of dentists maintained by the insurer shall comply with the provisions of NRS 689A.035.}** (Deleted by amendment.)~~

Sec. 2. ~~{NRS 689A.035 is hereby amended to read as follows:~~
~~689A.035 1. An insurer shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the insurer to its insureds.~~

~~2. An insurer shall not contract with a provider of health care to provide health care to an insured unless the insurer uses the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.~~

~~3. A contract between an insurer and a provider of health care may be modified:~~

~~(a) At any time pursuant to a written agreement executed by both parties.~~

~~(b) Except as otherwise provided in this paragraph, by the insurer upon giving to the provider 45 days' written notice of the modification of the insurer's schedule of payments, including any changes to the fee schedule applicable to the provider's practice. If the provider fails to object in writing to the modification within the 45-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 45-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).~~

~~4. If an insurer contracts with a provider of health care to provide health care to an insured, the insurer shall:~~

~~(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or~~

~~(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments, including any changes to the fee schedule applicable to the provider's practice, specified in paragraph (a) within 7 days after receiving the request.~~

~~5. If an insurer contracts with a dentist, the insurer shall, before entering into the contract and before executing an agreement with a third party to provide access to dentists within the network of dentists maintained by the insurer, provide the dentist with a notice. The notice must be in a form prescribed by the Commissioner and include, without limitation:~~

~~(a) The name of each third party to whom a contract which includes the dentist has been assigned or sold;~~

~~(b) Information about each policy of health insurance offered by a third party, including, without limitation, contact information for the third party and the procedure for submitting claims for payment to the third party; and~~

~~(c) The approximate number of members in each network of dentists or policy of health insurance, including any policy operated by a third party. If the actual number of members in a network of dentists or such a policy is not available, the insurer or third party, as appropriate, shall estimate the number to the best of its ability.~~

~~6. A third party who enters into an agreement with an insurer to access dentists within a network of dentists maintained by the insurer shall maintain an Internet website or a toll-free telephone number through which a dentist may obtain the name, address and telephone number of the person used by the third party to reimburse the dentist for covered services.~~

~~7. The assignment or sale of a contract which includes a dentist to a third party must not hinder the ability of the dentist to manage his or her practice, including, without limitation, his or her ability to schedule patients.~~

~~8. The provisions of this section do not require an insurer to provide a notice to a dentist when the insurer issues a policy to an insured.~~

~~9. As used in this section [“provider”]:~~

~~(a) “Covered service” has the meaning ascribed to it in NRS 695D.227.~~

~~(b) “Provider of health care” means a provider of health care who is licensed pursuant to chapter 630, 631, 632 or 633 of NRS.] (Deleted by amendment.)~~

Sec. 3. ~~[NRS 689A.330 is hereby amended to read as follows:~~

~~689A.330 If any policy is issued by a domestic insurer for delivery to a person residing in another state, and if the insurance commissioner or corresponding public officer of that other state has informed the Commissioner that the policy is not subject to approval or disapproval by that officer, the Commissioner may by ruling require that the policy meet the standards set forth in NRS 689A.030 to 689A.320, inclusive [.] and section 1 of this act.] (Deleted by amendment.)~~

Sec. 4. ~~[Chapter 689B of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~For the purpose of the contract between an insurer that issues a policy of group health insurance and a dentist, a third party who enters into an agreement with the insurer to access dentists within a network of dentists maintained by the insurer shall comply with the provisions of NRS 689B.015.] (Deleted by amendment.)~~

Sec. 5. ~~[NRS 689B.015 is hereby amended to read as follows:~~

~~689B.015 1. An insurer that issues a policy of group health insurance shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the insurer to its insureds.~~

~~2. An insurer specified in subsection 1 shall not contract with a provider of health care to provide health care to an insured unless the insurer uses the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.~~

~~3. A contract between an insurer specified in subsection 1 and a provider of health care may be modified:~~

~~(a) At any time pursuant to a written agreement executed by both parties.~~

~~(b) Except as otherwise provided in this paragraph, by the insurer upon giving to the provider 45 days’ written notice of the modification of the insurer’s schedule of payments, including any changes to the fee schedule applicable to the provider’s practice. If the provider fails to object in writing to the modification within the 45-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 45-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).~~

~~4. If an insurer specified in subsection 1 contracts with a provider of health care to provide health care to an insured, the insurer shall:~~

~~(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or~~

~~(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments, including any changes to the fee schedule applicable to the provider's practice, specified in paragraph (a) within 7 days after receiving the request.~~

~~5. If an insurer specified in subsection 1 contracts with a dentist, the insurer shall, before entering into the contract and before executing an agreement with a third party to provide access to dentists within the network of dentists maintained by the insurer, provide the dentist with a notice. The notice must be in a form prescribed by the Commissioner and include, without limitation:~~

~~(a) The name of each third party to whom a contract which includes the dentist has been assigned or sold;~~

~~(b) Information about each policy of group health insurance offered by a third party, including, without limitation, contact information for the third party and the procedure for submitting claims for payment to the third party; and~~

~~(c) The approximate number of members in each network of dentists or policy of group health insurance, including any policy operated by a third party. If the actual number of members in a network of dentists or such a policy is not available, the insurer or third party, as appropriate, shall estimate the number to the best of its ability.~~

~~6. A third party who enters into an agreement with an insurer specified in subsection 1 to access dentists within a network of dentists maintained by the insurer shall maintain an Internet website or a toll-free telephone number through which a dentist may obtain the name, address and telephone number of the person used by the third party to reimburse the dentist for covered services.~~

~~7. The assignment or sale of a contract which includes a dentist to a third party must not hinder the ability of the dentist to manage his or her practice, including, without limitation, his or her ability to schedule patients.~~

~~8. The provisions of this section do not require an insurer specified in subsection 1 to provide a notice to a dentist when the insurer issues a policy to a group.~~

~~9. As used in this section [,"provider"]:~~

~~(a) "Covered service" has the meaning ascribed to it in NRS 695D.227.~~

~~(b) "Provider of health care" means a provider of health care who is licensed pursuant to chapter 630, 631, 632 or 633 of NRS.] (Deleted by amendment.)~~

Sec. 6. [Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

~~For the purpose of the contract between a corporation subject to the provisions of this chapter and a dentist, a third party who enters into an agreement with the corporation to access dentists within a network of dentists maintained by the corporation shall comply with the provisions of NRS 695B.035.~~ (Deleted by amendment.)

Sec. 7. ~~[NRS 695B.035 is hereby amended to read as follows:~~

~~695B.035 1. A corporation subject to the provisions of this chapter shall not charge a provider of health care a fee to include the name of the provider on a list of providers of health care given by the corporation to its insureds.~~

~~2. A corporation specified in subsection 1 shall not contract with a provider of health care to provide health care to an insured unless the corporation uses the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.~~

~~3. A contract between a corporation specified in subsection 1 and a provider of health care may be modified:~~

~~(a) At any time pursuant to a written agreement executed by both parties.~~

~~(b) Except as otherwise provided in this paragraph, by the corporation upon giving to the provider 45 days' written notice of the modification of the corporation's schedule of payments, including any changes to the fee schedule applicable to the provider's practice. If the provider fails to object in writing to the modification within the 45-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 45-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).~~

~~4. If a corporation specified in subsection 1 contracts with a provider of health care to provide health care to an insured, the corporation shall:~~

~~(a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or~~

~~(b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments, including any changes to the fee schedule applicable to the provider's practice, specified in paragraph (a) within 7 days after receiving the request.~~

~~5. If a corporation specified in subsection 1 contracts with a dentist, the corporation shall, before entering into the contract and before executing an agreement with a third party to provide access to dentists within the network of dentists maintained by the corporation, provide the dentist with a notice. The notice must be in a form prescribed by the Commissioner and include, without limitation:~~

~~(a) The name of each third party to whom a contract which includes the dentist has been assigned or sold;~~

~~(b) Information about each contract for dental services offered by a third party, including, without limitation, contact information for the third party and the procedure for submitting claims for payment to the third party; and~~

~~—(c) The approximate number of members in each network of dentists or contract for dental services, including any contract for dental services operated by a third party. If the actual number of members in a network of dentists or a contract for dental services is not available, the corporation or third party, as appropriate, shall estimate the number to the best of its ability.~~

~~—6. A third party who enters into an agreement with a corporation specified in subsection 1 to access dentists within a network of dentists maintained by the corporation shall maintain an Internet website or a toll-free telephone number through which a dentist may obtain the name, address and telephone number of the person used by the third party to reimburse the dentist for covered services.~~

~~—7. The assignment or sale of a contract which includes a dentist to a third party must not hinder the ability of the dentist to manage his or her practice, including, without limitation, his or her ability to schedule patients.~~

~~—8. The provisions of this section do not require a corporation specified in subsection 1 to provide a notice to a dentist when the corporation issues a contract for dental services to an insured or employer.~~

~~—9. As used in this section [“provider”]:~~

~~—(a) “Covered service” has the meaning ascribed to it in NRS 695D.227.~~

~~—(b) “Provider of health care” means a provider of health care who is licensed pursuant to chapter 630, 631, 632 or 633 of NRS.] (Deleted by amendment.)~~

Sec. 8. ~~[Chapter 695C of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~—For the purpose of the contract between a health maintenance organization and a dentist, a third party who enters into an agreement with a health maintenance organization to access dentists within a network of dentists maintained by the health maintenance organization shall comply with the provisions of NRS 695C.125.] (Deleted by amendment.)~~

Sec. 9. ~~[NRS 695C.125 is hereby amended to read as follows:~~

~~—695C.125 1. A health maintenance organization shall not contract with a provider of health care to provide health care to an insured unless the health maintenance organization uses the form prescribed by the Commissioner pursuant to NRS 629.095 to obtain any information related to the credentials of the provider of health care.~~

~~—2. A contract between a health maintenance organization and a provider of health care may be modified:~~

~~—(a) At any time pursuant to a written agreement executed by both parties.~~

~~—(b) Except as otherwise provided in this paragraph, by the health maintenance organization upon giving to the provider 45 days’ written notice of the modification of the health maintenance organization’s schedule of payments, including any changes to the fee schedule applicable to the provider’s practice. If the provider fails to object in writing to the modification within the 45-day period, the modification becomes effective at the end of that period. If the provider objects in writing to the modification within the 45-day~~

period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).

~~3. If a health maintenance organization contracts with a provider of health care to provide health care to an enrollee, the health maintenance organization shall:~~

~~— (a) If requested by the provider of health care at the time the contract is made, submit to the provider of health care the schedule of payments applicable to the provider of health care; or~~

~~— (b) If requested by the provider of health care at any other time, submit to the provider of health care the schedule of payments, including any changes to the fee schedule applicable to the provider's practice, specified in paragraph (a) within 7 days after receiving the request.~~

~~4. If a health maintenance organization contracts with a dentist, the health maintenance organization shall, before entering into the contract and before executing an agreement with a third party to provide access to dentists within the network of dentists maintained by the health maintenance organization, provide the dentist with a notice. The notice must be in a form prescribed by the Commissioner and include, without limitation:~~

~~— (a) The name of each third party to whom a contract which includes the dentist has been assigned or sold;~~

~~— (b) Information about each health care plan offered by a third party, including, without limitation, contact information for the third party and the procedure for submitting claims for payment to the third party; and~~

~~— (c) The approximate number of members in each network of dentists or health care plan, including any health care plans operated by a third party. If the actual number of members in a network of dentists or a health care plan is not available, the health maintenance organization or third party, as appropriate, shall estimate the number to the best of its ability.~~

~~5. A third party who enters into an agreement with a health maintenance organization to access dentists within a network of dentists maintained by the health maintenance organization shall maintain an Internet website or a toll-free telephone number through which a dentist may obtain the name, address and telephone number of the person used by the third party to reimburse the dentist for covered services.~~

~~6. The assignment or sale of a contract which includes a dentist to a third party must not hinder the ability of the dentist to manage his or her practice, including, without limitation, his or her ability to schedule patients.~~

~~7. The provisions of this section do not require a health maintenance organization to provide a notice to a dentist when the health maintenance organization issues a health care plan to an enrollee or employer.~~

~~8. As used in this section [“provider”]~~

~~— (a) “Covered service” has the meaning ascribed to it in NRS 695D.227.~~

~~— (b) “Provider of health care” means a provider of health care who is licensed pursuant to chapter 630, 631, 632 or 633 of NRS.] (Deleted by amendment.)~~

Sec. 10. ~~[Chapter 695D of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~**—For the purpose of the contract between an organization for dental care and a dentist, a third party who enters into an agreement with an organization for dental care to access dentists within a network of dentists maintained by the organization for dental care shall comply with the provisions of NRS 695D.225.] (Deleted by amendment.)**~~

Sec. 11. ~~[NRS 695D.225 is hereby amended to read as follows:~~

~~695D.225 1. Except as otherwise provided in NRS 695D.227, a contract between an organization for dental care and a dentist may be modified:~~

~~—(a) At any time pursuant to a written agreement executed by both parties.~~

~~—(b) Except as otherwise provided in this paragraph, by the organization for dental care upon giving to the dentist 45 days' written notice of the modification of the organization for dental care's schedule of payments, including any changes to the fee schedule applicable to the dentist's practice. If the dentist fails to object in writing to the modification within the 45-day period, the modification becomes effective at the end of that period. If the dentist objects in writing to the modification within the 45-day period, the modification must not become effective unless agreed to by both parties as described in paragraph (a).~~

~~2. If an organization for dental care contracts with a dentist, the organization for dental care shall:~~

~~—(a) If requested by the dentist at the time the contract is made, submit to the dentist the schedule of payments applicable to the dentist; or~~

~~—(b) If requested by the dentist at any other time, submit to the dentist the schedule of payments, including any changes to the fee schedule applicable to the dentist's practice, specified in paragraph (a) within 7 days after receiving the request.~~

~~3. If an organization for dental care contracts with a dentist, the organization for dental care shall, before entering into the contract and before executing an agreement with a third party to provide access to dentists within the network of dentists maintained by the organization for dental care, provide the dentist with a notice. The notice must be in a form prescribed by the Commissioner and include, without limitation:~~

~~—(a) The name of each third party to whom a contract which includes the dentist has been assigned or sold;~~

~~—(b) Information about each plan for dental care offered by a third party, including, without limitation, contact information for the third party and the procedure for submitting claims for payment to the third party; and~~

~~—(c) The approximate number of members in each network of dentists or plan for dental care, including any plans for dental care operated by a third party. If the actual number of members in a network of dentists or a plan for dental care is not available, the organization for dental care or third party, as appropriate, shall estimate the number to the best of its ability.~~

~~4. A third party who enters into an agreement with an organization for dental care to access dentists within a network of dentists maintained by the organization for dental care shall maintain an Internet website or a toll-free telephone number through which a dentist may obtain the name, address and telephone number of the person used by the third party to reimburse the dentist for covered services.~~

~~5. The assignment or sale of a contract which includes a dentist to a third party must not hinder the ability of the dentist to manage his or her practice, including, without limitation, his or her ability to schedule patients.~~

~~6. The provisions of this section do not require an organization for dental care to provide a notice to a dentist when the organization for dental care issues a plan for dental care to a member or employer.~~

~~7. The provisions of this section do not apply to an organization for dental care that provides services to recipients of Medicaid under the State Plan for Medicaid or insurance pursuant to the Children's Health Insurance Program pursuant to a contract with the Division of Health Care Financing and Policy of the Department of Health and Human Services. This subsection does not exempt an organization for dental care from any provision of this chapter for services provided pursuant to any other contract.~~

~~8. As used in this section, "covered service" has the meaning ascribed to it in NRS 695D.227.~~ (Deleted by amendment.)

Sec. 12. Chapter 695H of NRS is hereby amended by adding thereto a new section to read as follows:

1. A medical discount plan that contracts directly with a dentist:

(a) Shall notify the dentist in the contract if the contract may be assigned to a third party;

(b) May assign the contract with the dentist to a third party only if the contract expressly authorizes the medical discount plan to assign the contract; and

(c) Shall maintain a toll-free telephone number for the dentist to obtain information regarding the medical discount plan.

2. A medical discount plan to which a contract with a dentist is assigned shall issue a written notice of inclusion in the medical discount plan to the dentist within 30 days after the assignment of the contract. Such a notice must include:

(a) The approximate number of members in the medical discount plan;

(b) The corporate name of the person offering the medical discount plan;

(c) The location and address of each office for the medical discount plan; and

(d) The telephone number where the dentist may obtain information regarding the medical discount plan.

3. A medical discount plan which fails to provide the notice required by subsection 2 to a dentist may not hold the dentist responsible for performance pursuant to the assigned contract.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 841 to Senate Bill 341 requires a medical discount plan that contracts directly with a dentist to notify the dentist whether the contract may be assigned to a third party and maintain a toll-free telephone number for the dentist to obtain information about the medical discount plan. The amendment also allows a contract between a medical discount plan and a dentist to be assigned only if expressly authorized by the contract; a dentist must be notified of inclusion in any contract that has been assigned.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 370.

Bill read second time.

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

Amendment No. 838.

AN ACT relating to barbering; revising provisions relating to the examination for a license as an instructor of the practice of barbering; requiring a barber school to be owned and operated by a certain number of instructors to obtain licensure of the barber school; revising the ratio of enrolled students to instructors at a barber school; revising the number of barber's chairs required to be on the premises of a barber school; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill requires the State Barbers' Health and Sanitation Board to oversee the examination for a license as an instructor of the practice of barbering but prohibits the Board from administering any aspect of the examination. **Section 1** also provides that the examination for a license as an instructor must include a practical demonstration and a written test. Finally, **section 1** requires the Board to: (1) contract with a national organization, with limited exceptions, to administer the examination for a license as an instructor; (2) include a specific term in any such contract entered into by the Board; and (3) use only proctors who are licensed as instructors of barbering in this State and approved by a national organization to administer the practical demonstration portion of the examination.

Sections 2.5, 5.5 and 6 of this bill require, on or after July 1, 2017, an applicant for a license to operate a barber school to submit information to the Board demonstrating that the barber school will be owned and operated by at least two instructors.

Existing law requires an applicant for a license as an instructor who fails to pass the examination for licensure to complete not more than 250 hours of further study before he or she is authorized to retake the examination. (NRS 643.110) **Section 2** of this bill ~~provides that such~~ **authorizes** an applicant ~~may fail~~ **who fails** to pass the examination ~~two times before he or~~

~~she) to retake the examination. Section 2 further provides that such an applicant: (1) is not required to complete further study in a barber school as a prerequisite to retaking the examination if the applicant retakes the examination not later than 1 year after taking the initial examination; and (2) is required to complete 250 hours of further study. ~~in a barber school before retaking the examination if the applicant retakes the examination later than 1 year after taking the initial examination.~~~~

Section 4 of this bill: (1) revises the ratio of students enrolled in a barber school to instructors required to be on the premises of the barber school; and (2) requires a barber school to have at least one barber's chair for each student present during instruction in the barber school.

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

Section 1. Chapter 643 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The examination of an applicant for a license as an instructor must include a practical demonstration and a written test that must include the subjects usually taught in barber schools approved by the Board.

2. The Board shall oversee the examination for a license as an instructor but shall not administer any aspect of the examination, including, without limitation, the practical demonstration or written test.

3. The Board shall:

(a) Except as otherwise provided in paragraph (c), contract with the National-Interstate Council of State Boards of Cosmetology, Inc. or any other national organization approved by the Board to administer the examination for a license as an instructor;

(b) Include as a term of any contract entered into pursuant to paragraph (a), a requirement that the organization provide the results of the examination to the applicant within 10 working days after the date of the examination; and

(c) Use only proctors who meet the requirements of subsection 4 to administer the practical demonstration portion of the examination for a license as an instructor.

4. To administer the practical demonstration portion of the examination for a license as an instructor, a proctor must be:

(a) An instructor; and

(b) Approved by the National-Interstate Council of State Boards of Cosmetology, Inc. or any other national organization approved by the Board to administer a practical examination for persons who wish to instruct students in the practice of barbering.

Sec. 2. NRS 643.110 is hereby amended to read as follows:

643.110 1. Except as otherwise provided in subsection 2, an applicant for a license as a barber who fails to pass the examination conducted by the

Board must continue to practice as a licensed apprentice for an additional 3 months before he or she may retake the examination for a license as a barber.

2. An applicant for a license as a barber who is a cosmetologist licensed pursuant to the provisions of chapter 644 of NRS and who fails to pass the examination conducted by the Board must complete further study as prescribed by the Board, not exceeding 250 hours, in a barber school approved by the Board before he or she may retake the examination for a license as a barber.

3. An applicant for a license as an apprentice who fails to pass the examination provided for in NRS 643.080 must complete further study as prescribed by the Board in a barber school approved by the Board before he or she may retake the examination for a license as an apprentice.

4. An applicant for a license as an instructor who fails to pass the examination provided for in NRS 643.1775 ***may retake the examination for a license as an instructor.*** ~~*two additional times. If the applicant fails to pass the examination two or more times, the*~~ ***If the applicant retakes the examination:***

(a) Not later than 1 year after taking the initial examination, the applicant is not required to complete further study in a barber school before he or she may retake the examination; and

(b) Later than 1 year after taking the initial examination, the applicant must complete ***250 hours of*** further study ~~*[prescribed by the Board, not to exceed 250 hours.]*~~ in a barber school approved by the Board ***each time*** before he or she may retake the examination for a license as an instructor.

Sec. 2.5. NRS 643.174 is hereby amended to read as follows:

643.174 Upon receipt of an application to operate a barber school, the Board shall require the applicant, if the applicant is a sole proprietor, or a member, partner or officer, if the applicant is a firm, partnership or corporation, to appear personally before the Board and submit information in such form as the Board may by regulation prescribe showing:

1. The location of the proposed barber school and its physical facilities and equipment;

2. The proposed maximum number of students to be trained at any one time and the number of instructors to be provided;

3. The nature and terms of the applicant's right of possession of the proposed premises, whether by lease, ownership or otherwise;

4. The financial ability of the applicant to operate the barber school in accordance with the requirements of this chapter and the regulations of the Board; ~~*and*~~

5. ***That the barber school will be owned and operated by at least two instructors; and***

6. Such other information as the Board considers necessary.

Sec. 3. NRS 643.176 is hereby amended to read as follows:

643.176 1. The Board may adopt and enforce reasonable regulations governing:

(a) The conduct of barber schools;

- (b) The course of study of barber schools;
- (c) ~~The~~ ***Except as otherwise provided in section 1 of this act, the*** examination of instructors;
- (d) The fee for the examination of instructors, which may not exceed ~~[\$75;]~~ ***\$100;*** and
- (e) The fee for the issuance and renewal of an instructor's license ~~[-]~~, ***which must not exceed \$250.***

2. The Board shall require, as a prerequisite for the renewal of an instructor's license, continuing education in the form of seminars or other training.

Sec. 4. NRS 643.177 is hereby amended to read as follows:

643.177 Any person who owns, manages, operates or controls any barber school, or part thereof:

1. Shall:

(a) Display a sign that may be easily seen upon entering the barber school on which is printed in bold letters "Work Performed Exclusively by Students";

(b) Have at least:

(1) One instructor on the premises of the barber school at all times if the active enrollment of the school is ~~[-] 10~~ ***20*** students or less;

(2) One additional instructor on the premises of the barber school for each ~~[-] 10~~ ***20*** students enrolled in the school in excess of ~~[-] 10~~ ***20*** students; ~~and~~

(3) Two instructors available to provide instruction at all times; ***and***

(4) ***One barber's chair for each student present during instruction in the barber school;***

(c) Not allow a student to provide barbering services to members of the general public for more than 7 hours in a day or for more than 5 days in any 7-day period;

(d) Not advertise that the barber school will charge for barbering services provided to members of the general public by students unless those barbering services are specifically advertised as services provided by students; and

(e) Comply with all other provisions of this chapter relating to barber schools.

2. May charge for barbering services provided to a member of the general public by a student if the student performs those barbering services as part of the required course of study of the barber school.

Sec. 5. NRS 643.1775 is hereby amended to read as follows:

643.1775 The Board shall license any person as an instructor who:

1. Has applied to the Board in writing on the form prescribed by the Board;
2. Holds a high school diploma or its equivalent;
3. Has paid the applicable fees;
4. Holds a license as a barber issued by the Board;
5. Submits all information required to complete the application;
6. Has practiced not less than 5 years as a full-time licensed barber in this State, the District of Columbia or in any other state or country whose

requirements for licensing barbers are substantially equivalent to those in this State;

7. Has successfully completed a training program for instructors conducted by a licensed barber school which consists of not less than 600 hours of instruction within a 6-month period; and

8. Has passed an examination for instructors administered ~~[by the Board]~~ **in accordance with section 1 of this act.**

Sec. 5.5. The amendatory provisions of section 2.5 of this act do not apply to a barber school for which a license to operate the barber school is issued or renewed before July 1, 2017.

Sec. 6. 1. This act becomes effective upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act.

2. This section and sections 1, 2, ~~3, 4 and 5~~ **and 3 to 5.5, inclusive**, of this act become effective on January 1, 2016, for all other purposes.

3. Section 2.5 of this act becomes effective on July 1, 2017, for all other purposes.

Assemblyman Hickey moved the adoption of the amendment.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

Amendment 838 to Senate Bill 370 provides that an applicant for licensure as an instructor who fails to pass the required examination may retake the examination as many times as it is offered within one year of taking the initial examination without completing further study in a barber school. If after one year of taking the initial examination the applicant has not yet passed, he or she must complete an additional 250 hours in a barber school.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 388.

Bill read second time and ordered to third reading.

Senate Bill No. 395.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 859.

SUMMARY—Revises provisions ~~[governing domestic relations.]~~ relating to marriage. (BDR 11-530)

AN ACT relating to ~~[domestic relations.]~~ **marriage**; revising provisions relating to fees charged and collected for the issuance of a marriage license; authorizing a board of county commissioners to adopt an ordinance imposing an additional fee for the issuance of a marriage license which must be used to promote marriage tourism in the county; authorizing a county to provide a space at certain county clerk offices for the display of informational brochures of certain persons who perform weddings; ~~[revising provisions relating to the~~

~~division of community property and liabilities in certain domestic relations actions,~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill authorizes a county whose population is 100,000 or more (currently Clark and Washoe Counties) to provide a space outside each office and branch office of the county clerk in which a commercial wedding chapel, a licensed business which operates principally for the performance of weddings in the county or a church or religious organization incorporated, organized or established in this State may place informational brochures for display.

~~[Under existing law, in granting a divorce, a court must, to the extent practicable, make an equal disposition of the community property of the parties, unless the action is contrary to a valid premarital agreement between the parties or the court makes written findings setting forth a compelling reason for making an unequal disposition of the community property. (NRS 125.150) The Nevada Supreme Court has held that under Rule 60(b) of the Nevada Rules of Civil Procedure, relief from a divorce decree dividing community property between the parties may be obtained by: (1) filing within 6 months after the final decree a motion for relief or modification from the decree because of mistake, newly discovered evidence or fraud; or (2) showing exceptional circumstances justifying equitable relief in an independent civil action. (Kramer v. Kramer, 96 Nev. 759, 762 (1980); Amie v. Amie, 106 Nev. 541, 542 (1990)) In Doan v. Wilkerson, 130 Nev. Adv. Op. 48 (2014), the Nevada Supreme Court held that exceptional circumstances justifying equitable relief do not exist when a particular item of community property was disclosed and considered in a divorce action but omitted from the divorce decree. Section 27 of this bill provides that at any time, a party in an action for divorce, separate maintenance or annulment may file a postjudgment motion to obtain an adjudication of any community property or liability that was omitted from the final decree. Section 27 further provides that the court has continuing jurisdiction to hear such a motion and must make an equal disposition of the omitted community property or liability unless the court finds that certain exceptions apply.]~~

Under existing law, the county clerk is required to collect certain fees for the issuance of a marriage license. **Sections 4 and 56** of this bill authorize a board of county commissioners in a county whose population is 700,000 or more (currently Clark County) to adopt an ordinance imposing an additional fee of not more than \$14 for the issuance of a marriage license. Under **section 56**, if a board of county commissioners adopts such an ordinance, the fee must be deposited in a special revenue fund designated as the fund for the promotion of marriage tourism, and money in the fund must be used by the county clerk to promote marriage tourism in the county. **Section 4** also specifically states that any administrative fee charged and collected by a county clerk's office, including, without limitation, a fee for providing a copy of a marriage license,

is separate from any fee charged and collected for the issuance of a marriage license.

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

Section 1. Chapter 122 of NRS is hereby amended by adding thereto a new section to read as follows:

In each county whose population is 100,000 or more, the county may provide a space outside each office and branch office of the county clerk in which a commercial wedding chapel, a licensed business which operates principally for the performance of weddings in the county or a church or religious organization incorporated, organized or established in this State may place informational brochures for display.

Sec. 2. (Deleted by amendment.)

Sec. 3. (Deleted by amendment.)

Sec. 4. NRS 122.060 is hereby amended to read as follows:

122.060 1. The county clerk is entitled to receive as his or her fee for issuing a marriage license the sum of \$21.

2. The county clerk shall also at the time of issuing the marriage license:

(a) Collect the sum of \$10 and:

(1) If the board of county commissioners has adopted an ordinance pursuant to NRS 246.100, deposit the sum into the county general fund pursuant to NRS 246.180 for filing the originally signed certificate of marriage described in NRS 122.120.

(2) If the board of county commissioners has not adopted an ordinance pursuant to NRS 246.100, pay it over to the county recorder as his or her fee for recording the originally signed certificate of marriage described in NRS 122.120.

(b) Collect the additional fee described in subsection 2 of NRS 246.180, if the board of county commissioners has adopted an ordinance authorizing the collection of such fee, and deposit the fee pursuant to NRS 246.190.

(c) Collect the additional fee imposed pursuant to section 56 of this act, if the board of county commissioners has adopted an ordinance imposing the fee.

3. The county clerk shall also at the time of issuing the marriage license collect the additional sum of \$4 for the State of Nevada. The fees collected for the State must be paid over to the county treasurer by the county clerk on or before the fifth day of each month for the preceding calendar month, and must be placed to the credit of the State General Fund. The county treasurer shall remit quarterly all such fees deposited by the county clerk to the State Controller for credit to the State General Fund.

4. The county clerk shall also at the time of issuing the marriage license collect the additional sum of \$25 for the Account for Aid for Victims of Domestic Violence in the State General Fund. The fees collected for this purpose must be paid over to the county treasurer by the county clerk on or

before the fifth day of each month for the preceding calendar month, and must be placed to the credit of that Account. The county treasurer shall, on or before the 15th day of each month, remit those fees deposited by the county clerk to the State Controller for credit to that Account.

5. Any fee charged and collected pursuant to this section is separate and distinct from any administrative fee charged and collected by a county clerk's office, including, without limitation, a fee for certifying a copy of a marriage license.

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 21. (Deleted by amendment.)

Sec. 22. (Deleted by amendment.)

Sec. 23. (Deleted by amendment.)

Sec. 24. (Deleted by amendment.)

Sec. 25. (Deleted by amendment.)

Sec. 26. (Deleted by amendment.)

Sec. 27. ~~NRS 125.150 is hereby amended to read as follows:~~

~~125.150 Except as otherwise provided in NRS 125.155 and unless the action is contrary to a premarital agreement between the parties which is enforceable pursuant to chapter 123A of NRS:~~

~~1. In granting a divorce, the court:~~

~~(a) May award such alimony to the wife or to the husband, in a specified principal sum or as specified periodic payments, as appears just and equitable; and~~

~~(b) Shall, to the extent practicable, make an equal disposition of the community property of the parties, except that the court may make an unequal disposition of the community property in such proportions as it deems just if the court finds a compelling reason to do so and sets forth in writing the reasons for making the unequal disposition.~~

~~2. Except as otherwise provided in this subsection, in granting a divorce, the court shall dispose of any property held in joint tenancy in the manner set~~

forth in subsection 1 for the disposition of community property. If a party has made a contribution of separate property to the acquisition or improvement of property held in joint tenancy, the court may provide for the reimbursement of that party for his or her contribution. The amount of reimbursement must not exceed the amount of the contribution of separate property that can be traced to the acquisition or improvement of property held in joint tenancy, without interest or any adjustment because of an increase in the value of the property held in joint tenancy. The amount of reimbursement must not exceed the value, at the time of the disposition, of the property held in joint tenancy for which the contribution of separate property was made. In determining whether to provide for the reimbursement, in whole or in part, of a party who has contributed separate property, the court shall consider:

- (a) The intention of the parties in placing the property in joint tenancy;
- (b) The length of the marriage; and
- (c) Any other factor which the court deems relevant in making a just and equitable disposition of that property.

~~As used in this subsection, “contribution” includes, without limitation, a down payment, a payment for the acquisition or improvement of property, and a payment reducing the principal of a loan used to finance the purchase or improvement of property. The term does not include a payment of interest on a loan used to finance the purchase or improvement of property, or a payment made for maintenance, insurance or taxes on property.~~

~~3. A party may file a postjudgment motion in any action for divorce, annulment or separate maintenance to obtain adjudication of any community property or liability omitted from the decree or judgment. There is no limitation on the time in which a motion pursuant to this subsection may be filed. The court has continuing jurisdiction to hear such a motion and shall equally divide the omitted community property or liability between the parties unless the court finds that:~~

- ~~— (a) The community property or liability was included in a prior equal disposition of the community property of the parties or in an unequal disposition of the community property of the parties which was made pursuant to written findings of a compelling reason for making that unequal disposition; or~~
- ~~— (b) The court determines a compelling reason in the interests of justice to make an unequal disposition of the community property or liability and sets forth in writing the reasons for making the unequal disposition.~~

~~4. Except as otherwise provided in NRS 125.141, whether or not application for suit money has been made under the provisions of NRS 125.040, the court may award a reasonable attorney’s fee to either party to an action for divorce.~~

~~[4.] 5. In granting a divorce, the court may also set apart such portion of the husband’s separate property for the wife’s support, the wife’s separate property for the husband’s support or the separate property of either spouse for the support of their children as is deemed just and equitable.~~

~~—[5.] 6. In the event of the death of either party or the subsequent remarriage of the spouse to whom specified periodic payments were to be made, all the payments required by the decree must cease, unless it was otherwise ordered by the court.~~

~~—[6.] 7. If the court adjudicates the property rights of the parties, or an agreement by the parties settling their property rights has been approved by the court, whether or not the court has retained jurisdiction to modify them, the adjudication of property rights, and the agreements settling property rights, may nevertheless at any time thereafter be modified by the court upon written stipulation signed and acknowledged by the parties to the action, and in accordance with the terms thereof.~~

~~—[7.] 8. If a decree of divorce, or an agreement between the parties which was ratified, adopted or approved in a decree of divorce, provides for specified periodic payments of alimony, the decree or agreement is not subject to modification by the court as to accrued payments. Payments pursuant to a decree entered on or after July 1, 1975, which have not accrued at the time a motion for modification is filed may be modified upon a showing of changed circumstances, whether or not the court has expressly retained jurisdiction for the modification. In addition to any other factors the court considers relevant in determining whether to modify the order, the court shall consider whether the income of the spouse who is ordered to pay alimony, as indicated on the spouse's federal income tax return for the preceding calendar year, has been reduced to such a level that the spouse is financially unable to pay the amount of alimony the spouse has been ordered to pay.~~

~~—[8.] 9. In addition to any other factors the court considers relevant in determining whether to award alimony and the amount of such an award, the court shall consider:~~

- ~~—(a) The financial condition of each spouse;~~
- ~~—(b) The nature and value of the respective property of each spouse;~~
- ~~—(c) The contribution of each spouse to any property held by the spouses pursuant to NRS 123.030;~~
- ~~—(d) The duration of the marriage;~~
- ~~—(e) The income, earning capacity, age and health of each spouse;~~
- ~~—(f) The standard of living during the marriage;~~
- ~~—(g) The career before the marriage of the spouse who would receive the alimony;~~
- ~~—(h) The existence of specialized education or training or the level of marketable skills attained by each spouse during the marriage;~~
- ~~—(i) The contribution of either spouse as homemaker;~~
- ~~—(j) The award of property granted by the court in the divorce, other than child support and alimony, to the spouse who would receive the alimony; and~~
- ~~—(k) The physical and mental condition of each party as it relates to the financial condition, health and ability to work of that spouse.~~

~~—[9.] 10. In granting a divorce, the court shall consider the need to grant alimony to a spouse for the purpose of obtaining training or education relating~~

~~to a job, career or profession. In addition to any other factors the court considers relevant in determining whether such alimony should be granted, the court shall consider:~~

~~— (a) Whether the spouse who would pay such alimony has obtained greater job skills or education during the marriage; and~~

~~— (b) Whether the spouse who would receive such alimony provided financial support while the other spouse obtained job skills or education.~~

~~— [10.] 11. If the court determines that alimony should be awarded pursuant to the provisions of subsection [9:] 10:~~

~~— (a) The court, in its order, shall provide for the time within which the spouse who is the recipient of the alimony must commence the training or education relating to a job, career or profession.~~

~~— (b) The spouse who is ordered to pay the alimony may, upon changed circumstances, file a motion to modify the order.~~

~~— (c) The spouse who is the recipient of the alimony may be granted, in addition to any other alimony granted by the court, money to provide for:~~

~~— (1) Testing of the recipient's skills relating to a job, career or profession;~~

~~— (2) Evaluation of the recipient's abilities and goals relating to a job, career or profession;~~

~~— (3) Guidance for the recipient in establishing a specific plan for training or education relating to a job, career or profession;~~

~~— (4) Subsidization of an employer's costs incurred in training the recipient;~~

~~— (5) Assisting the recipient to search for a job; or~~

~~— (6) Payment of the costs of tuition, books and fees for:~~

~~— (I) The equivalent of a high school diploma;~~

~~— (II) College courses which are directly applicable to the recipient's goals for his or her career; or~~

~~— (III) Courses of training in skills desirable for employment.~~

~~— [11.] 12. For the purposes of this section, a change of 20 percent or more in the gross monthly income of a spouse who is ordered to pay alimony shall be deemed to constitute changed circumstances requiring a review for modification of the payments of alimony. As used in this subsection, "gross monthly income" has the meaning ascribed to it in NRS 125B.070.] (Deleted by amendment.)~~

Sec. 28. (Deleted by amendment.)

Sec. 29. (Deleted by amendment.)

Sec. 30. (Deleted by amendment.)

Sec. 31. (Deleted by amendment.)

Sec. 32. (Deleted by amendment.)

Sec. 33. (Deleted by amendment.)

Sec. 34. (Deleted by amendment.)

Sec. 35. (Deleted by amendment.)

Sec. 36. (Deleted by amendment.)

Sec. 37. (Deleted by amendment.)

Sec. 38. (Deleted by amendment.)

Sec. 39. (Deleted by amendment.)

Sec. 40. (Deleted by amendment.)

Sec. 41. (Deleted by amendment.)

Sec. 42. (Deleted by amendment.)

Sec. 43. (Deleted by amendment.)

Sec. 44. (Deleted by amendment.)

Sec. 45. (Deleted by amendment.)

Sec. 46. (Deleted by amendment.)

Sec. 47. (Deleted by amendment.)

Sec. 48. (Deleted by amendment.)

Sec. 49. (Deleted by amendment.)

Sec. 50. (Deleted by amendment.)

Sec. 51. (Deleted by amendment.)

Sec. 52. (Deleted by amendment.)

Sec. 53. (Deleted by amendment.)

Sec. 54. (Deleted by amendment.)

Sec. 55. (Deleted by amendment.)

Sec. 56. Chapter 246 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *In a county whose population is 700,000 or more, the board of county commissioners may impose by ordinance an additional fee of not more than \$14 for the issuance of a marriage license.*

2. *An ordinance adopted pursuant to subsection 1 must include a provision creating a special revenue fund designated as the fund for the promotion of marriage tourism. Any money collected from a fee imposed pursuant to subsection 1 must be paid by the county clerk to the county treasurer, and the county treasurer shall deposit the money received in the fund.*

3. *Any interest earned on money in the fund, after deducting any applicable charges, must be credited to the fund.*

4. *Any money remaining in the fund at the end of a fiscal year must not revert to the county general fund, and the balance in the fund must be carried forward to the next fiscal year.*

5. *The money in the fund:*

(a) *Must be used by the county clerk only to promote wedding tourism in the county.*

(b) *Must not be used to replace or supplant any money available to fund the regular operations of the office of the county clerk.*

6. *If a board of county commissioners adopts an ordinance pursuant to subsection 1, on or before July 1 of each year, the county clerk shall submit to the board of county commissioners a report of the projected expenditures of the money in the fund for the following fiscal year.*

Sec. 57. (Deleted by amendment.)

Sec. 58. (Deleted by amendment.)

Sec. 59. (Deleted by amendment.)

Sec. 60. (Deleted by amendment.)

Sec. 61. (Deleted by amendment.)

Sec. 62. (Deleted by amendment.)

Sec. 63. (Deleted by amendment.)

Sec. 64. (Deleted by amendment.)

Sec. 65. This act becomes effective upon passage and approval.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment deletes Section 27 of the bill. Deleting the postjudgment language removes any potential conflicts with Assembly Bill 362.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 405.

Bill read second time and ordered to third reading.

Senate Bill No. 409.

Bill read second time and ordered to third reading.

Senate Bill No. 442.

Bill read second time and ordered to third reading.

Senate Bill No. 446.

Bill read second time and ordered to third reading.

Senate Bill No. 453.

Bill read second time and ordered to third reading.

Senate Bill No. 458.

Bill read second time.

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

Amendment No. 866.

AN ACT relating to mammography; revising the language of certain notices provided to patients who undergo mammography; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires that a patient who undergoes mammography must be given a notice which includes a report of the patient's breast density and which may include, without limitation, a statement regarding the relationship between breast density, breast cancer and the impact of breast density on the effectiveness of mammography. (NRS 457.1857) Pursuant to existing law, the State Board of Health adopted a regulation prescribing the language of such a notification. (LCB File No. R100-13 which became effective on January 1,

2014) This bill provides new language which must be used in such notification ~~if the report indicates that the breast tissue is dense.~~

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

Section 1. NRS 457.1857 is hereby amended to read as follows:

457.1857 1. If a patient undergoes mammography, the owner, lessee or other person responsible for the radiation machine for mammography that was used to perform the mammography must ensure that each report provided to the patient pursuant to 42 U.S.C. § 263b(f)(1)(G)(ii)(IV) includes, without limitation, a statement of the category of the patient's breast density which is determined based on the Breast Imaging Reporting and ~~{Database}~~ **Data** System or such other guidelines as required by the State Board of Health by regulation, and ~~, if necessary,~~ **if applicable,** the notice ~~{prescribed by the State Board of Health pursuant to}~~ **provided in** subsection 2.

2. ~~{The State Board of Health shall prescribe by regulation the notice to be included in a report}~~ **If the statement of the category of the patient's breast density which is provided pursuant to subsection 1 indicates that the breast tissue is dense, the report described in subsection 1 must also include a notice** ~~{provided pursuant to subsection 1. The notice must include:~~

~~—(a) A statement regarding the benefits, risks and limitations of mammograms;~~
~~—(b) A description of factors that may affect the accuracy of a mammogram, including, without limitation, the density of breast tissue or the presence of breast implants;~~
~~—(c) A statement that encourages the patient to discuss with his or her provider of health care the patient's specific risk factors for developing breast cancer; and~~
~~—(d) A statement that encourages the patient to discuss with his or her provider of health care whether the patient should adjust his or her schedule for mammograms or consider other appropriate screening options as a result of the patient's breast density.~~

~~—3. The notice prescribed by regulation pursuant to subsection 2 may include, without limitation:~~

~~—(a) A statement regarding the prevalence of dense breast tissue, the relationship between breast density and breast cancer and the manner in which breast density may change over time; and~~
~~—(b) A description of the factors that affect the risk of developing breast cancer.~~

~~—4. must be~~ **in the following form:**

Your mammogram shows that your breast tissue is dense. Dense breast tissue is common and is not abnormal. However, dense breast tissue can make it harder to evaluate the results of your mammogram and may also be associated with a modestly increased risk of breast

cancer. This information about the results of your mammogram is given to you to raise your awareness and to inform your conversations with your physician. Together, you can decide which screening options are right for you. A report of your results was sent to your physician.

3. Nothing in this section shall be construed to:

(a) Create a duty of care or other legal obligation beyond the duty to provide the notice as set forth in this section.

(b) Require a notice to be provided to a patient that is inconsistent with the notice required by the provisions of 42 U.S.C. § 263b or any regulations promulgated pursuant thereto.

Sec. 2. This act becomes effective on July 1, 2015.

Assemblyman Oscarson moved the adoption of the amendment.

Remarks by Assemblyman Oscarson.

ASSEMBLYMAN OSCARSON:

This amendment removes the requirement that the State Board of Health prescribe by regulation the notice to be included in a report on a patient's category of breast density and instead specifies the notice in statute. Also, the amendment clarifies that an owner, lessee, or other person responsible for the radiation machine for mammography will send a notice if applicable.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 464.

Bill read second time and ordered to third reading.

Senate Bill No. 484.

Bill read second time and ordered to third reading.

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

Assembly in recess at 1:59 p.m.

ASSEMBLY IN SESSION

At 2:10 p.m.

Mr. Speaker presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Transportation, to which was referred Senate Bill No. 110, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JIM WHEELER, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Paul Anderson moved that the Assembly rescind the action whereby Amendment No. 909 to Senate Bill No. 394 was adopted.

Motion carried.

Assemblyman Paul Anderson moved the Senate Bill No. 394 be taken from its position on the General File and placed at the top of the General File.

Motion carried.

Assemblyman Paul Anderson moved the Assembly Bill No. 423 be taken from the General File and rereferred to the Committee on Ways and Means.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 394.

Bill read third time.

Remarks by Assemblyman Hickey.

ASSEMBLYMAN HICKEY:

I rise in support of Senate Bill 394. It requires the Department of Education, in consultation with persons and organizations who possess knowledge and expertise in the personal safety of children, to develop age-appropriate curriculum standards for teaching personal safety to children. The Department must also develop recommendations to assist the school district or a charter school and to develop and implement various programs related to the personal safety of children. The board of trustees of each school district and the governing body of each charter school are required to ensure that instruction on the personal safety of children is carried out as part of a course of study in health and is based on the standards developed by the Department.

The Department of Education has already been planning and is scheduled to revise their health studies curriculum. This bill was endorsed by the Superintendent and passed unanimously by your Committee on Education. I urge your support.

Roll call on Senate Bill No. 394:

YEAS—41.

NAYS—None.

EXCUSED—Fiore.

Senate Bill No. 394 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 402.

Bill read third time.

The following amendment was proposed by Assemblywoman Titus:

Amendment No. 893.

AN ACT relating to public health; defining the term “obesity” ~~as a chronic disease;~~ requiring the Division of Public and Behavioral Health of the Department of Health and Human Services to prepare an annual report on obesity; requiring certain school districts to collect data concerning the height and weight of pupils; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law uses the term “obesity” in listing the benefits of breast-feeding, mandating training for child care providers and mandating public information and prevention programs of the Division of Public and Behavioral Health of the Department of Health and Human Services. (NRS 201.232, 432A.1775, 439.517, 439.521) **Section 1** of this bill defines the term “obesity” in the preliminary chapter of NRS ~~as a chronic disease having certain characteristics.~~ **as an abnormal and unhealthy accumulation of body fat which is statistically correlated with certain conditions.** **Sections 2, 3, 4 and 5** of this bill define the term “obesity” as used in those provisions of existing law. **Section 5** also requires the Division to prepare an annual report on obesity statistics in this State and the efforts to reduce obesity.

Existing law requires the board of trustees of each school district in a county whose population is 100,000 or more (currently Clark and Washoe Counties), through June 30, 2015, to: (1) conduct examinations of the height and weight of certain pupils in the schools within the school district; (2) provide notice of such examinations to the parent or guardian of a child before performing the examination; and (3) report the results of such examinations to the Chief Medical Officer. (NRS 392.420) **Section 2.5** of this bill: (1) requires the board of trustees of each such school district to use school nurses, health personnel and certain teachers and other personnel to conduct such examinations on and after July 1, 2015; and (2) provides that, under certain circumstances, the school authorities are not required to provide notice to the parent or guardian of a child before conducting such an examination. **Section 2.5** also requires the Division of Public and Behavioral Health of the Department of Health and Human Services to: (1) compile a report of the results of such examinations specific to each region of this State for which such information is collected; and (2) publish and disseminate the reports.

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

Section 1. The preliminary chapter of NRS is hereby amended by adding thereto a new section to read as follows:

~~1.1~~ ***Except as otherwise provided by specific statute or required by the context, “obesity” means ~~a chronic disease characterized by~~ an abnormal and unhealthy accumulation of body fat which is statistically correlated with premature mortality, hypertension, heart disease, diabetes, cancer and other health conditions, and may be indicated by:***

~~(a)~~ ***1. A body mass index of 30 or higher in adults;***

~~(b)~~ ***2. A body mass index that is greater than two standard deviations above the World Health Organization’s growth standard for children who are at least 5 but less than 19 years of age, or greater than three standard deviations above the standard for children who are less than 5 years of age;***

~~(c)~~ ***3. A body fat percentage greater than 25 percent for men or 32 percent for women; or***

~~[(d)]~~ **4. A waist size of 40 inches or more for men or 35 inches or more for women.**

~~[2. As used in this section, “chronic disease” means a health condition or disease which presents for a period of 3 months or more or is persistent, indefinite or incurable.]~~

Sec. 2. NRS 201.232 is hereby amended to read as follows:

201.232 1. The Legislature finds and declares that:

(a) The medical profession in the United States recommends that children from birth to the age of 1 year should be breast fed, unless under particular circumstances it is medically inadvisable.

(b) Despite the recommendation of the medical profession, statistics reveal a declining percentage of mothers who are choosing to breast feed their babies.

(c) Many new mothers are now choosing to use formula rather than to breast feed even before they leave the hospital, and only a small percentage of all mothers are still breast feeding when their babies are 6 months old.

(d) In addition to the benefit of improving bonding between mothers and their babies, breast feeding offers better nutrition, digestion and immunity for babies than does formula feeding, and it may increase the intelligence quotient of a child. Babies who are breast fed have lower rates of death, meningitis, childhood leukemia and other cancers, diabetes, respiratory illnesses, bacterial and viral infections, diarrheal diseases, otitis media, allergies, obesity and developmental delays.

(e) Breast feeding also provides significant benefits to the health of the mother, including protection against breast cancer and other cancers, osteoporosis and infections of the urinary tract. The incidence of breast cancer in the United States might be reduced by 25 percent if every woman breast fed all her children until they reached the age of 2 years.

(f) The World Health Organization and the United Nations Children’s Fund have established as one of their major goals for the decade the encouragement of breast feeding.

(g) The social constraints of modern society weigh against the choice of breast feeding and lead new mothers with demanding time schedules to opt for formula feeding to avoid embarrassment, social ostracism or criminal prosecution.

(h) Any genuine promotion of family values should encourage public acceptance of this most basic act of nurture between a mother and her baby, and no mother should be made to feel incriminated or socially ostracized for breast feeding her child.

2. Notwithstanding any other provision of law, a mother may breast feed her child in any public or private location where the mother is otherwise authorized to be, irrespective of whether the nipple of the mother’s breast is uncovered during or incidental to the breast feeding.

3. As used in this section ~~is~~

~~(a) “Obesity” , “obesity” means [a chronic disease characterized by] an abnormal and unhealthy accumulation of body fat which is statistically~~

correlated with premature mortality, hypertension, heart disease, diabetes, cancer and other health conditions, and may be indicated by:

~~[(1)]~~ *(a) A body mass index of 30 or higher in adults;*

~~[(2)]~~ *(b) A body mass index that is greater than two standard deviations above the World Health Organization's growth standard for children who are at least 5 but less than 19 years of age, or greater than three standard deviations above the standard for children who are less than 5 years of age;*

~~[(3)]~~ *(c) A body fat percentage greater than 25 percent for men or 32 percent for women; or*

~~[(4)]~~ *(d) A waist size of 40 inches or more for men or 35 inches or more for women.*

~~[(b) "Chronic disease" means a health condition or disease which presents for a period of 3 months or more or is persistent, indefinite or incurable.]~~

Sec. 2.5. NRS 392.420 is hereby amended to read as follows:

392.420 1. In each school at which a school nurse is responsible for providing nursing services, the school nurse shall plan for and carry out, or supervise qualified health personnel in carrying out, a separate and careful observation and examination of every child who is regularly enrolled in a grade specified by the board of trustees or superintendent of schools of the school district in accordance with this subsection to determine whether the child has scoliosis, any visual or auditory problem, or any gross physical defect. The grades in which the observations and examinations must be carried out are as follows:

(a) For visual and auditory problems:

(1) Before the completion of the first year of initial enrollment in elementary school;

(2) In at least one additional grade of the elementary schools; and

(3) In one grade of the middle or junior high schools and one grade of the high schools; and

(b) For scoliosis, in at least one grade of schools below the high schools.

➔ Any person other than a school nurse, including, without limitation, a person employed at a school to provide basic first aid and health services to pupils, who performs an observation or examination pursuant to this subsection must be trained by a school nurse to conduct the observation or examination.

2. *In addition to the requirements of subsection 1, the board of trustees of each school district in a county whose population is 100,000 or more shall direct school nurses, qualified health personnel employed pursuant to subsection 6, teachers who teach physical education or health or other licensed educational personnel who have completed training in measuring the height and weight of a pupil provided by the school district, to measure the height and weight of a representative sample of pupils who are enrolled in grades 4, 7 and 10 in the schools within the school district. The Division of Public and Behavioral Health of the Department of Health and Human*

Services shall determine the number of pupils necessary to include in the representative sample.

3. If any child is attending school in a grade above one of the specified grades and has not previously received such an observation and examination, the child must be included in the current schedule for observation and examination. Any child who is newly enrolled in the district must be examined for any medical condition for which children in a lower grade are examined.

~~{3-}~~ 4. A special examination for a possible visual or auditory problem must be provided for any child who:

- (a) Is enrolled in a special program;
- (b) Is repeating a grade;
- (c) Has failed an examination for a visual or auditory problem during the previous school year; or
- (d) Shows in any other way that the child may have such a problem.

~~{4-}~~ 5. The school authorities shall notify the parent or guardian of any child who is found or believed to have scoliosis, any visual or auditory problem, or any gross physical defect, and shall recommend that appropriate medical attention be secured to correct it.

~~{5-}~~ 6. In any school district in which state, county or district public health services are available or conveniently obtainable, those services may be used to meet the responsibilities assigned under the provisions of this section. The board of trustees of the school district may employ qualified personnel to perform them. Any nursing services provided by such qualified personnel must be performed in compliance with chapter 632 of NRS.

~~{6-}~~ 7. The board of trustees of a school district may adopt a policy which encourages the school district and schools within the school district to collaborate with:

- (a) Qualified health care providers within the community to perform, or assist in the performance of, the services required by this section; and
- (b) Postsecondary educational institutions for qualified students enrolled in such an institution in a health-related program to perform, or assist in the performance of, the services required by this section.

~~{7.—The}~~

8. ***Except as otherwise provided in this subsection, the*** school authorities shall provide notice to the parent or guardian of a child before performing on the child the examinations required by this section. The notice must inform the parent or guardian of the right to exempt the child from all or part of the examinations. Any child must be exempted from an examination if the child's parent or guardian files with the teacher a written statement objecting to the examination.

~~{8-}~~ ***The school authorities are not required to provide notice to the parent or guardian of a child before measuring the child's height or weight pursuant to subsection 2 if it is not practicable to do so.***

9. Each school nurse or a designee of a school nurse, including, without limitation, a person employed at a school to provide basic first aid and health

services to pupils, shall report the results of the examinations conducted pursuant to this section in each school at which he or she is responsible for providing services to the Chief Medical Officer in the format prescribed by the Chief Medical Officer. Each such report must exclude any identifying information relating to a particular child. The Chief Medical Officer shall compile all such information the Officer receives to monitor the health status of children and shall retain the information.

10. The Division of Public and Behavioral Health of the Department of Health and Human Services shall:

(a) Compile a report relating to each region of this State for which data is collected regarding the height and weight of pupils measured pursuant to subsection 2 and reported to the Chief Medical Officer pursuant to subsection 9; and

(b) Publish and disseminate the reports not later than 12 months after receiving the results of the examinations pursuant to subsection 9.

Sec. 3. NRS 432A.1775 is hereby amended to read as follows:

432A.1775 1. Each person who is employed in a child care facility that provides care for more than 12 children, other than in a facility that provides care for ill children, shall complete:

(a) Before January 1, 2014, at least 15 hours of training;

(b) On or after January 1, 2014, and before January 1, 2015, at least 18 hours of training;

(c) On or after January 1, 2015, and before January 1, 2016, at least 21 hours of training; and

(d) On or after January 1, 2016, 24 hours of training each year.

2. Except as otherwise provided in subsection 1, each person who is employed in any child care facility, other than in a facility that provides care for ill children, shall complete at least 15 hours of training each year.

3. At least 2 hours of the training required by subsections 1 and 2 each year must be devoted to the lifelong wellness, health and safety of children and must include training relating to childhood obesity, nutrition and physical activity.

4. As used in this section, ~~the~~

~~**(a) "Obesity";**~~ **"obesity"** means ~~for a chronic disease characterized by~~ an abnormal and unhealthy accumulation of body fat which is statistically correlated with premature mortality, hypertension, heart disease, diabetes, cancer and other health conditions, and may be indicated by:

~~**(1)**~~ **(a)** A body mass index of 30 or higher in adults;

~~**(2)**~~ **(b)** A body mass index that is greater than two standard deviations above the World Health Organization's growth standard for children who are at least 5 but less than 19 years of age, or greater than three standard deviations above the standard for children who are less than 5 years of age;

~~**(3)**~~ **(c)** A body fat percentage greater than 25 percent for men or 32 percent for women; or

~~{(4)}~~ (d) *A waist size of 40 inches or more for men or 35 inches or more for women.*

~~{(b)}~~ *“Chronic disease” means a health condition or disease which presents for a period of 3 months or more or is persistent, indefinite or incurable.*

Sec. 4. NRS 439.517 is hereby amended to read as follows:

439.517 1. Within the limits of available money, the Division shall establish the State Program for Wellness and the Prevention of Chronic Disease to increase public knowledge and raise public awareness relating to wellness and chronic diseases and to educate the residents of this State about:

~~{1-}~~ (a) Wellness, including, without limitation, behavioral health, proper nutrition, maintaining oral health, increasing physical fitness, preventing obesity and tobacco use; and

~~{2-}~~ (b) The prevention of chronic diseases, including, without limitation, asthma, cancer, diabetes, cardiovascular disease, **obesity** and oral disease.

2. *As used in this section* ~~{-}~~

~~{(a)}~~ *“Obesity”*, *“obesity”* means ~~{a chronic disease characterized by}~~ an abnormal and unhealthy accumulation of body fat which is statistically correlated with premature mortality, hypertension, heart disease, diabetes, cancer and other health conditions, and may be indicated by:

~~{(1)}~~ (a) A body mass index of 30 or higher in adults;

~~{(2)}~~ (b) A body mass index that is greater than two standard deviations above the World Health Organization’s growth standard for children who are at least 5 but less than 19 years of age, or greater than three standard deviations above the standard for children who are less than 5 years of age;

~~{(3)}~~ (c) A body fat percentage greater than 25 percent for men or 32 percent for women; or

~~{(4)}~~ (d) *A waist size of 40 inches or more for men or 35 inches or more for women.*

~~{(b)}~~ *“Chronic disease” means a health condition or disease which presents for a period of three months or more or is persistent, indefinite or incurable.*

Sec. 5. NRS 439.521 is hereby amended to read as follows:

439.521 1. To carry out the provisions of NRS 439.514 to 439.525, inclusive, the Division shall, within the limits of available money, and with the advice and recommendations of the Advisory Council:

~~{1-}~~ (a) Periodically prepare burden reports concerning health problems and diseases, including, without limitation, a lack of physical fitness, poor nutrition, tobacco use and exposure to tobacco smoke, obesity, chronic diseases, **including, without limitation, ~~obesity and~~ diabetes**, and other diseases, as determined by the Division, using the most recent information obtained through surveillance, epidemiology and research. As used in this ~~{subsection,}~~ **paragraph**, “burden report” means a calculation of the impact of a particular health problem or chronic disease on this State, as measured by financial cost, mortality, morbidity or other indicators specified by the Division.

~~{2.}~~ **(b) Prepare an annual report on obesity pursuant to paragraph (a) which must:**

(1) Include, without limitation:

(I) Current obesity rates in this State;

(II) Information regarding obesity with regard to specific demographics;

(III) Actions taken by the Division regarding obesity; and

(IV) The State's goals and achievements regarding obesity rates.

(2) On or before March 15 of each year, be submitted to the Director of the Legislative Counsel Bureau for transmittal to:

(I) The Legislative Committee on Health Care during even-numbered years; and

(II) The Legislature during odd-numbered years.

(c) Identify, review and encourage, in coordination with the Department of Education, the Nevada System of Higher Education and other appropriate state agencies, existing evidence-based programs related to nutrition, physical fitness and tobacco prevention and cessation, including, without limitation, programs of state and local governments, educational institutions, businesses and the general public.

~~{3.}~~ **(d)** Develop, promote and coordinate recommendations for model and evidence-based programs that contribute to reductions in the incidence of chronic disease in this State. The programs should encourage:

~~{a.}~~ **(1)** Proper nutrition, physical fitness and health among the residents of this State, including, without limitation, parents and children, senior citizens, high-risk populations and persons with special needs; and

~~{b.}~~ **(2)** Work-site wellness policies that include, without limitation, tobacco-free and breast feeding-friendly environments, healthy food and beverage choices and physical activity opportunities in schools, businesses and public buildings.

~~{4.}~~ **(e)** Assist on projects within this State as requested by, and in coordination with, the President's Council on Fitness, Sports and Nutrition.

~~{5.}~~ **(f)** Identify and review methods for reducing health care costs associated with tobacco use and exposure to tobacco smoke, obesity, chronic diseases, **including, without limitation, ~~obesity and~~ diabetes**, and other diseases, as determined by the Division.

~~{6.}~~ **(g)** Maintain a website to provide information and resources on nutrition, physical fitness, health, wellness and the prevention of obesity and chronic diseases ~~including, without limitation, ~~obesity and~~ diabetes~~.

~~{7.}~~ **(h)** Solicit information from and, to the extent feasible, coordinate its efforts with:

~~{a.}~~ **(1)** Other governmental agencies;

~~{b.}~~ **(2)** National health organizations and their local and state chapters;

~~{c.}~~ **(3)** Community and business leaders;

~~{d.}~~ **(4)** Community organizations;

~~{(e)}~~ (5) Providers of health care;

~~{(f)}~~ (6) Private schools; and

~~{(g)}~~ (7) Other persons who provide services relating to tobacco use and exposure, physical fitness and wellness and the prevention of obesity, chronic diseases , **including, without limitation, ~~obesity and~~ diabetes**, and other diseases.

~~{8.}~~ (i) Establish, maintain and enhance statewide chronic disease surveillance systems.

~~{9.}~~ (j) Translate surveillance, evaluation and research information into press releases, briefs, community education and advocacy materials and other publications that highlight chronic diseases and the key risk factors of those diseases.

~~{10.}~~ (k) Identify, assist and encourage the growth of, through funding, training, resources and other support, the community's capacity to assist persons who have a chronic disease.

~~{11.}~~ (l) Encourage relevant community organizations to effectively recruit key population groups to receive clinical preventative services, including, without limitation:

~~{(a)}~~ (1) Screening and early detection of breast, cervical and colorectal cancer, diabetes, high blood pressure and obesity;

~~{(b)}~~ (2) Oral screenings; and

~~{(c)}~~ (3) Tobacco cessation counseling.

~~{12.}~~ (m) Promote positive policy, system and environmental changes within communities and the health care system based on, without limitation, the Chronic Care Model developed by the MacColl Center for Health Care Innovation and the Patient-Centered Medical Home Recognition Program of the National Committee for Quality Assurance.

~~{13.}~~ (n) Review and revise the Program as needed.

2. As used in this section ~~{~~

~~{(a)}~~ ***“Obesity”***, ***“obesity” means ~~a chronic disease characterized by~~ an abnormal and unhealthy accumulation of body fat which is statistically correlated with premature mortality, hypertension, heart disease, diabetes, cancer and other health conditions, and may be indicated by:***

~~{(1)}~~ (a) ***A body mass index of 30 or higher in adults;***

~~{(2)}~~ (b) ***A body mass index that is greater than two standard deviations above the World Health Organization's growth standard for children who are at least 5 but less than 19 years of age, or greater than three standard deviations above the standard for children who are less than 5 years of age;***

~~{(3)}~~ (c) ***A body fat percentage greater than 25 percent for men or 32 percent for women; or***

~~{(4)}~~ (d) ***A waist size of 40 inches or more for men or 35 inches or more for women.***

~~{(b)}~~ ***“Chronic disease” means a health condition or disease which presents for a period of 3 months or more or is persistent, indefinite or incurable.***

Sec. 6. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 7. This act becomes effective on July 1, 2015.

Assemblywoman Titus moved the adoption of the amendment.

Remarks by Assemblywomen Titus and Carlton.

ASSEMBLYWOMAN TITUS:

Amendment 893 to Senate Bill 402 changes the language and the definition of “obesity” to an “accumulation of body fat” but does not define it as a chronic disease.

ASSEMBLYWOMAN CARLTON:

I have a question for the proponent of the amendment. I know with a designation of chronic disease, doors are opened to different resources from the federal government. I know that definition is recognized at the federal level and through the CDC [Centers for Disease Control and Prevention], so I just want to make sure that by changing this we do not eliminate any options for any funding to deal with this chronic disease.

ASSEMBLYWOMAN TITUS:

Thank you to my esteemed colleague from the south. It can be chronic if you allow it to be and there are forces that prevent you from losing it, but it is not chronic by the nature of the disease itself. I have worked extensively with the initial author of this bill as well as our state health officer to make sure that we do not impair the application of any grants that we get and that it still includes the studies so that we can know where the problem is. Also, there is no other state in the nation that has passed this type of wording or law and so we are not going to be behind on anything. I am working closely with our state health officer to look at what possible grants may be out there. If this, indeed, were to impair that, I would be willing to change it in the future. It is something that we are working closely on because I am for the health of this state and for improving the overall life of not only the youth but adults of all ages, categories, and backgrounds in this state.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Assembly Bill No. 199.

Bill read third time.

Remarks by Assemblywoman Bustamante Adams.

ASSEMBLYWOMAN BUSTAMANTE ADAMS:

Assembly Bill 199 is recommended by the Sunset Subcommittee to the Legislative Commission. This bill removes certain committees that are no longer serving a purpose in Nevada and also makes transitions to others.

Roll call on Assembly Bill No. 199:

YEAS—39.

NAYS—Shelton.

EXCUSED—Edwards, Fiore—2.

Assembly Bill No. 199 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 234.

Bill read third time.

Remarks by Assemblymen Munford and Hickey.

ASSEMBLYMAN MUNFORD:

Assembly Bill 234 requires the Council to Establish Academic Standards for Public Schools to establish standards of content and performance for social studies to include multicultural education. A licensed teacher who is initially licensed on or after July 1, 2015, must submit proof of the completion of a course in multicultural education along with the first application for renewal of his or her license to teach.

This bill has been a passion for me because I presented this bill for five sessions and it finally made it to the floor for a vote. I am so grateful to, elated by, and appreciative of those who made it possible by supporting me in this particular legislation. I would like to single you out personally: Assemblyman Pat Hickey; Assemblyman Oscarson; Assemblyman Paul Anderson, who is the Chairman of Ways and Means and got it out of Ways and Means; all the members of the Democratic Caucus who supported me, like Assemblywoman Dina Neal, Assemblyman Thompson, Assemblywoman Swank, Assemblywoman Benitez-Thompson, and even my neighbor here, Assemblywoman Olivia Diaz, Assemblywoman Irene Bustamante Adams, Assemblyman Araujo, Assemblyman Flores—all of them. I cannot even find the words to express how I appreciate their support in getting this bill through for me because it has been a long journey starting way back in 2005. Now it is finally going to get some legs and go where it is supposed to go. Thank you very much.

ASSEMBLYMAN HICKEY:

I rise in support of Assembly Bill 234. I think I speak on behalf of all of my colleagues and schoolteacher colleagues. I say that as a proud description. Not only has our colleague brought this piece of legislation for five sessions, but we passed this in honor of his accomplishments in the classroom. We in the Committee on Education have heard on countless occasions from former students of our colleague who have come and are a testimony and a legacy to his accomplishments in the classroom and in this building. For that reason, I proudly stand in support of this bill and urge yours as well.

Roll call on Assembly Bill No. 234:

YEAS—39.

NAYS—Seaman.

EXCUSED—Edwards, Fiore—2.

Assembly Bill No. 234 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assembly Bill No. 448.

Bill read third time.

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

Amendment No. 799.

AN ACT relating to education; establishing the Achievement School District within the Department of Education; authorizing certain underperforming schools to be converted to achievement charter schools sponsored by the Achievement School District; prescribing requirements for the conversion of a public school to an achievement charter school and the operation of an achievement charter school; providing for the use of certain school buildings by an achievement charter school without compensation; authorizing a school district to provide services to an achievement charter school under certain circumstances; prescribing certain conditions of employment for a teacher at an achievement charter school; authorizing the conversion of an achievement charter school to a public school in a school

district or a charter school; revising provisions governing the use of school buildings owned by the board of trustees of the school district by a charter school; making reassignment of the employees of an achievement charter school outside the scope of collective bargaining; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 17 of this bill creates the Achievement School District within the Department of Education, and **section 18** of this bill requires the Superintendent of Public Instruction to appoint an Executive Director as the chief of the Achievement School District. **Section 19** of this bill establishes the Account for the Achievement School District in the State General Fund.

Existing law establishes the statewide system of accountability for public schools. (NRS 385.3455-385.391) The statewide system of accountability provides for each public school to be rated based on the performance of the school and whether each public school meets the annual measurable objectives and performance targets. (NRS 385.3594) **Section 20** of this bill requires the Executive Director to make a list of public schools that demonstrate unsatisfactory pupil achievement and school performance for consideration for conversion to achievement charter schools and submit the list to the State Board of Education for approval. The list must include 20 percent of schools that meet certain criteria, and the State Board must approve for consideration at least 50 percent of the schools on the list. **Section 20** authorizes the Executive Director to select ~~(any school)~~ up to six of the schools approved by the State Board for conversion to an achievement charter ~~(school)~~ schools after: (1) considering data concerning pupil achievement and school performance for the school; (2) considering input from parents of pupils enrolled at the school and other members of the community in which the school is located; and (3) consulting with the board of trustees of the school district in which the school is located.

Existing law prohibits the conversion of an existing public school to a charter school. (NRS 386.505, 386.506) **Sections 11 and 23** of this bill provide that these provisions do not apply to an achievement charter school, thereby allowing the conversion of an existing public school to an achievement charter school.

Section 21 of this bill requires the Executive Director of the Achievement School District to evaluate applications and enter into a contract with a charter management organization, educational management organization or other person to operate an achievement charter school. **Section 21** also requires the Department to adopt regulations prescribing the process for applying to operate an achievement charter school, which must allow for certain applicants to submit one application to operate more than one achievement charter school. **Section 21.5** of this bill provides that the Achievement School District is deemed the sponsor of an achievement charter school and requires the operator of an achievement charter school to appoint a governing body of the achievement charter school. **Section 21.5** provides that the governing body

may consist of any persons chosen by the operator of the achievement charter school, with certain restrictions. **Section 22** of this bill requires the principal of an achievement charter school to determine whether to offer employment at the achievement charter school to the former employees of the public school. Any such employees who are not offered employment at the achievement charter school must be reassigned to another public school in the district. **Section 22** also requires the board of trustees of a school district to allow an achievement charter school to operate in the building in which the school was located before conversion to an achievement charter school without compensation and continue to pay capital expenses for the building. The achievement charter school is required to pay for maintenance and operation of the building. **Section 22: (1) provides that the board of trustees of a school district is not required to give priority to a capital project at a school that is selected for conversion to an achievement charter school; and (2) prohibits the board of trustees of a school district from reducing the priority of any such capital project that existed before the school was selected for conversion.** **Section 22** also provides that any pupil who was enrolled in a school before conversion to an achievement charter school must be enrolled in the achievement charter school ~~(upon request.)~~ **unless the parent or guardian of the pupil submits written notice that the pupil will not continue to be enrolled at the school.** Finally, **section 22** limits the amount of loans, advances or other monetary charges that the governing body of an achievement charter school may authorize to be paid to the operator of the achievement charter school. **Section 61** of this bill makes the right of a school district to reassign employees who are not retained by an achievement charter school outside the scope of collective bargaining.

Section 22.5 of this bill enacts provisions necessary for an achievement charter school to be able to receive money available from federal and state categorical grant programs.

Sections 3-8 and 23 of this bill require an achievement charter school to participate in the statewide system of accountability for public schools.

Existing law: (1) establishes requirements concerning the availability of certain information concerning charter schools and the operation of a charter school; (2) prohibits a member of the board of trustees of a school district or employee of a school district to solicit gifts or payments from a governing body or employee of a charter school; (3) prohibits the board of trustees of a school district from interfering with the operation of a charter school; (4) prescribes the manner in which money will be apportioned to and paid by a charter school; (5) establishes requirements concerning hiring of personnel at a charter school; (6) requires certain information to be reported by the governing body and sponsor of a charter school; and (7) authorizes a charter school to finance improvements through the issuance of bonds. (NRS 386.545, 386.547, 386.550, 386.553, 386.555, 386.563-386.573, 386.582-386.593 and 386.598-386.649) **Section 23** of this bill makes these provisions applicable to an achievement charter school. **Section 23** also allows the governing body of

an achievement charter school to obtain a waiver of certain requirements concerning the school calendar, testing, curriculum, enrollment, distance education and staffing.

Existing law authorizes: (1) a charter school that meets certain requirements to apply to the Department for money for facilities; (2) a charter school to take certain actions to expand its facilities; and (3) a pupil at a charter school to participate in classes or extracurricular activities at a public school in a school district. (NRS 386.5515, 386.560, 386.595) **Sections 24-26** of this bill enacts similar provisions applicable to achievement charter schools. **Section 25** also requires the board of trustees of a school district in which an achievement charter school is located to provide facilities, other than the school building in which the achievement charter school operates, to the achievement charter school or perform certain services to an achievement charter school for compensation upon the request of the Executive Director.

Sections 27, 31 and 32 of this bill prescribe conditions for employment at an achievement charter school. **Sections 28, 30 and 31** of this bill require the board of trustees of a school district to grant a leave of absence of 6 years to a teacher who wishes to accept or continue employment at an achievement charter school and prescribe requirements concerning benefits and tenure of a teacher who takes such a leave of absence.

Section 33 of this bill allows an achievement charter school that has demonstrated adequate improvement in pupil achievement and school performance to: (1) convert back to a public school under the governance of the board of trustees of the school district in which the school is located; (2) apply to an entity for sponsorship as a charter school and become a charter school outside the Achievement School District; or (3) remain an achievement charter school for at least 6 more years. **Section 33** requires an achievement charter school that has not demonstrated adequate improvement to remain an achievement charter school for at least 6 more years, subject to review at least every 3 years thereafter. **Section 33** provides that if an achievement charter school converts back to a public school in a school district, the board of trustees of the school district must employ any teacher, administrator or paraprofessional who wishes to continue at the school. **Section 34** of this bill requires the Department to adopt regulations to carry out the provisions governing achievement charter schools. **Sections 36-38** of this bill exempt an achievement charter school from certain prohibitions on converting an existing public school into a charter school.

Existing law authorizes a charter school to use school buildings owned by the school district in which the charter school is located only upon approval of the board of trustees of the school district and during times that are not regular school hours. (NRS 386.560) **Section 39.5** of this bill removes the limitation on the use of such buildings during regular school hours, but still requires such use to be approved by the board of trustees of the school district.

Sections 1, 2, 9, 11-16, 35, 39-60, 62-64 and 69 of this bill make conforming changes.

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

Section 1. NRS 385.005 is hereby amended to read as follows:

385.005 1. The Legislature reaffirms its intent that public education in the State of Nevada is essentially a matter for local control by local school districts. The provisions of this title are intended to reserve to the boards of trustees of local school districts within this state such rights and powers as are necessary to maintain control of the education of the children within their respective districts. These rights and powers may only be limited by other specific provisions of law.

2. The responsibility of establishing a statewide policy of integration or desegregation of public schools is reserved to the Legislature. The responsibility for establishing a local policy of integration or desegregation of public schools consistent with the statewide policy established by the Legislature is delegated to the respective boards of trustees of local school districts and to the governing body of each charter school.

3. The State Board shall, and the State Public Charter School Authority, **the Achievement School District**, each board of trustees of a local school district, the governing body of each charter school and any other school officer may, advise the Legislature at each regular session of any recommended legislative action to ensure high standards of equality of educational opportunity for all children in the State of Nevada.

Sec. 2. NRS 385.007 is hereby amended to read as follows:

385.007 As used in this title, unless the context otherwise requires:

1. ~~["Charter school" means a public school that is formed pursuant to the provisions of NRS 386.490 to 386.649, inclusive.]~~ ***"Achievement charter school" means a public school operated by a charter management organization, as defined in section 13 of this act, an educational management organization, as defined in section 14 of this act, or other person pursuant to a contract with the Achievement School District pursuant to section 21 of this act and subject to the provisions of sections 12 to 34, inclusive, of this act.***

2. "Department" means the Department of Education.

3. "Homeschooled child" means a child who receives instruction at home and who is exempt from compulsory attendance pursuant to NRS 392.070.

4. "Limited English proficient" has the meaning ascribed to it in 20 U.S.C. § 7801(25).

5. "Public schools" means all kindergartens and elementary schools, junior high schools and middle schools, high schools, charter schools and any other schools, classes and educational programs which receive their support through public taxation and, except for charter schools, whose textbooks and courses of study are under the control of the State Board.

6. "State Board" means the State Board of Education.

7. “University school for profoundly gifted pupils” has the meaning ascribed to it in NRS 392A.040.

Sec. 3. 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 NRS 385.347 to 385.3495, inclusive, 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 a single annual report of accountability concerning the educational goals and objectives of the school district, the information prescribed by NRS 385.347 to 385.3495, inclusive, and such other information as is directed by the Superintendent of Public Instruction. A separate reporting for a group of pupils must not be made pursuant to NRS 385.347 to 385.3495, inclusive, 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 Department shall use the mechanism approved by the United States Department of Education for the statewide system of accountability for public schools for determining the minimum number of pupils that must be in a group for that group to yield statistically reliable information.

3. The State Public Charter School Authority , ***the Achievement School District*** 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 , ***Achievement School District*** 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 , ***the Achievement School District*** 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 , ***Achievement School District*** and institution, as applicable, which must include, without limitation, the information contained in subsection 2 and NRS 385.347 to 385.3495, inclusive, as applicable to charter schools. The Department shall provide for public dissemination of the annual report of accountability prepared pursuant to this section by posting a copy of the report on the Internet website maintained by the Department.

4. The annual report of accountability prepared pursuant to this section must be presented in an understandable and uniform format and, to the extent practicable, provided in a language that parents can understand.

5. The Superintendent of Public Instruction shall:

(a) Prescribe forms for the reports required pursuant to this section and provide the forms to the respective school districts, the State Public Charter School Authority , ***the Achievement School District*** 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 , ***the Achievement School District*** 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.

6. 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.

7. On or before September 30 of each year:

(a) The board of trustees of each school district, the State Public Charter School Authority , ***the Achievement School District*** 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 this section is available on the Internet website maintained by the school district, State Public Charter School Authority , ***Achievement School District*** 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;
- (5) Bureau; and

(6) The Attorney General, with a specific reference to the information that is reported pursuant to paragraph (e) of subsection 1 of NRS 385.3483.

(b) The board of trustees of each school district, the State Public Charter School Authority, ***the Achievement School District*** 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 this section by posting a copy of the report on the Internet website maintained by the school district, the State Public Charter School Authority, ***the Achievement School District*** 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, ***the Achievement School District*** or the institution does not maintain a website, the State Public Charter School Authority, ***the Achievement School District*** 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.

8. Upon the request of the Governor, the Attorney General, an entity described in paragraph (a) of subsection 7 or a member of the general public, the board of trustees of a school district, the State Public Charter School Authority, ***the Achievement School District*** 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 this section.

Sec. 4. NRS 385.3481 is hereby amended to read as follows:

385.3481 1. The annual report of accountability prepared pursuant to NRS 385.347 must include information on the attendance, truancy and transiency of pupils, including, without limitation:

(a) 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.

(b) 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.

(c) 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.

(d) The number of habitual truants reported for each school in the district and for the district as a whole, including, without limitation, the number who are:

(1) Reported to an attendance officer, a school police officer or a local law enforcement agency pursuant to paragraph (a) of subsection 2 of NRS 392.144;

(2) Referred to an advisory board to review school attendance pursuant to paragraph (b) of subsection 2 of NRS 392.144; and

(3) Referred for the imposition of administrative sanctions pursuant to paragraph (c) of subsection 2 of NRS 392.144.

2. 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 by paragraph (a) of subsection 1.

(b) The State Public Charter School Authority, ***the Achievement School District*** 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 of NRS 385.347.

Sec. 5. NRS 385.3572 is hereby amended to read as follows:

385.3572 1. The State Board shall prepare a single annual report of accountability that includes, without limitation the information prescribed by NRS 385.3572 to 385.3592, inclusive.

2. A separate reporting for a group of pupils must not be made pursuant to this section and NRS 385.3572 to 385.3592, inclusive, 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 Department shall use the mechanism approved by the United States Department of Education for the statewide system of accountability for public schools 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) Be prepared in a concise manner; and
- (b) 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;
- (6) Governing body of each charter school;
- (7) *Executive Director of the Achievement School District*; and**

~~[(7)]~~ **(8)** The Attorney General, with a specific reference to the information that is reported pursuant to paragraph (e) of subsection 1 of NRS 385.3584.

5. Upon the request of the Governor, the Attorney General, 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.

Sec. 6. NRS 385.3593 is hereby amended to read as follows:

385.3593 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 385.3572 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 389.550 and 389.805 and the college and career readiness assessment administered pursuant to NRS 389.807; 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 the statewide system of accountability for public schools;

(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 ~~[-]; and~~

(h) Executive Director of the Achievement School District.

Sec. 7. NRS 385.3613 is hereby amended to read as follows:

385.3613 1. On or before July 31 of each year, the Department shall determine whether each public school is meeting the annual measurable objectives and performance targets established pursuant to the statewide system of accountability for public schools.

2. The determination pursuant to subsection 1 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 , ***the Achievement School District*** 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 , ***the Achievement School District*** 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) , ~~for~~ (c) ~~or~~ (d), 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 Achievement School District if the charter school is sponsored by the Achievement School District.***

(d) 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.

3. 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 meet the performance targets established pursuant to the statewide system of accountability for public schools 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 Department shall use the mechanism approved by the United States Department of Education for the statewide system of accountability for public schools for determining the number of pupils that must be in a group for that group to yield statistically reliable information.

4. 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.

5. 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. 8. NRS 385.366 is hereby amended to read as follows:

385.366 1. Based upon the information received from the Department pursuant to NRS 385.3613, the board of trustees of each school district shall, on or before August 15 of each year, issue a preliminary rating for each public school in the school district in accordance with the statewide system of accountability for public schools, excluding charter schools sponsored by the State Public Charter School Authority, **the Achievement School District** or ~~by~~ a college or university within the Nevada System of Higher Education. The board of trustees shall make preliminary ratings for all charter schools that are sponsored by the board of trustees. The Department shall make preliminary ratings for all charter schools ~~that are~~ sponsored by the State Public Charter School Authority, **all charter schools sponsored by the Achievement School District** and all charter schools sponsored by a college or university within the Nevada System of Higher Education.

2. Before making a final rating for a school, the board of trustees of the school district or the Department, as applicable, shall provide the school an opportunity to review the data upon which the preliminary rating is based and to present evidence. If the school is a public school of the school district or a charter school sponsored by the board of trustees, the board of trustees of the school district shall, in consultation with the Department, make a final determination concerning the rating for the school on September 15. If the school is a charter school sponsored by the State Public Charter School Authority, **the Achievement School District** or ~~by~~ a college or university within the Nevada System of Higher Education, the Department shall make a final determination concerning the rating for the school on September 15.

3. On or before September 15 of each year, the Department shall provide written notice of the determinations made pursuant to NRS 385.3613 and the final ratings made pursuant to this section as follows:

(a) The determinations and final ratings made for all schools in this State to the:

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

(b) The determinations and final ratings made for all schools within a school district to the:

- (1) Superintendent of schools of the school district; and
- (2) Board of trustees of the school district.

(c) The determination and final rating made for each school to the principal of the school.

(d) The determination and final rating made for each charter school to the sponsor of the charter school.

Sec. 9. NRS 385.620 is hereby amended to read as follows:

385.620 The Advisory Council shall:

1. Review the policy of parental involvement adopted by the State Board and the policy of parental involvement and family engagement adopted by the board of trustees of each school district pursuant to NRS 392.457;

2. Review the information relating to communication with and participation, involvement and engagement of parents and families that is included in the annual report of accountability for each school district pursuant to NRS 385.3495 and similar information in the annual report of accountability prepared by the State Public Charter School Authority, ***the Achievement School District*** and a college or university within the Nevada System of Higher Education that sponsors a charter school pursuant to subsection 3 of NRS 385.347;

3. Review any effective practices carried out in individual school districts to increase parental involvement and family engagement and determine the feasibility of carrying out those practices on a statewide basis;

4. Review any effective practices carried out in other states to increase parental involvement and family engagement and determine the feasibility of carrying out those practices in this State;

5. Identify methods to communicate effectively and provide outreach to parents, legal guardians and families of pupils who have limited time to become involved in the education of their children for various reasons, including, without limitation, work schedules, single-parent homes and other family obligations;

6. Identify the manner in which the level of parental involvement and family engagement affects the performance, attendance and discipline of pupils;

7. Identify methods to communicate effectively with and provide outreach to parents, legal guardians and families of pupils who are limited English proficient;

8. Determine the necessity for the appointment of a statewide parental involvement and family engagement coordinator or a parental involvement and family engagement coordinator in each school district, or both;

9. Work in collaboration with the Office of Parental Involvement and Family Engagement created by NRS 385.630 to carry out the duties prescribed in NRS 385.635;

10. On or before July 1 of each year, submit a report to the Legislative Committee on Education describing the activities of the Advisory Council and any recommendations for legislation; and

11. On or before February 1 of each odd-numbered year, submit a report to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature describing the activities of the Advisory Council and any recommendations for legislation.

Sec. 10. Chapter 386 of NRS is hereby amended by adding thereto the provisions set forth as sections 11 to 34, inclusive, of this act.

Sec. 11. ***“Charter school” does not include an achievement charter school, except to the extent provided pursuant to section 23 of this act.***

Sec. 12. *As used in sections 12 to 34, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 13 to 16, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 13. *“Charter management organization” means a nonprofit corporation, organization or other entity that provides services relating to the operation and management of charter schools and achievement charter schools.*

Sec. 14. *“Educational management organization” means a for-profit corporation, business, organization or other entity that provides services relating to the operation and management of charter schools and achievement charter schools.*

Sec. 15. *“Executive Director” means the Executive Director of the Achievement School District created by section 17 of this act.*

Sec. 16. *“Public school” does not include a charter school or a university school for profoundly gifted pupils.*

Sec. 17. 1. *The Achievement School District is hereby created within the Department.*

2. *The Achievement School District may employ such persons as it deems necessary to carry out the provisions of sections 12 to 34, inclusive, of this act. The employees of the Achievement School District:*

(a) *Must be qualified to carry out the daily responsibilities of overseeing achievement charter schools in accordance with the provisions of sections 12 to 34, inclusive, of this act; and*

(b) *Are in the unclassified service of the State and serve at the pleasure of the Executive Director.*

Sec. 18. 1. *The Superintendent of Public Instruction shall appoint an Executive Director of the Achievement School District. The Executive Director shall serve at the pleasure of the Superintendent of Public Instruction.*

2. *The Executive Director is the chief of the Achievement School District. The Executive Director has the powers and duties assigned by sections 12 to 34, inclusive, of this act, and any other applicable law or regulation and such other powers and duties as may be assigned by the Superintendent of Public Instruction.*

3. *The Executive Director shall develop policies and practices for the operation of the Achievement School District that are consistent with state laws and regulations governing achievement charter schools. Such policies and practices must include, without limitation, the manner in which the Achievement School District will maintain oversight of achievement charter schools.*

Sec. 19. 1. *The Account for the Achievement School District is hereby created in the State General Fund, to be administered by the Executive Director.*

2. *The interest and income earned on the money in the Account must be credited to the Account.*

3. *The money in the Account may be used only for the establishment and maintenance of the Achievement School District.*

4. *Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.*

5. *The Executive Director and the Achievement School District may accept gifts, grants and bequests to carry out the responsibilities of the Achievement School District pursuant to sections 12 to 34, inclusive, of this act. Any money from gifts, grants and bequests must be deposited in the Account and may be expended in accordance with the terms and conditions of the gift, grant or bequest, or in accordance with this section.*

6. *Claims against the Account must be paid as other claims against the state are paid.*

Sec. 20. 1. *A public school is eligible for conversion to an achievement charter school if:*

(a) *Based upon the most recent annual report of the statewide system of accountability for public schools, the public school is an elementary school or middle school that was rated in the lowest 5 percent of elementary or middle schools in this State in pupil achievement and school performance for the most recent school year;*

(b) *The public school is a high school that had a graduation rate for the immediately preceding school year of less than 60 percent; or*

(c) *Pupil achievement and school performance at the public school is unsatisfactory as determined by the Department pursuant to the criteria established by regulation of the Department.*

2. *Each year, the Executive Director shall submit a list of not less than 20 percent of the public schools that are eligible for conversion to an achievement charter school pursuant to subsection 1 to the State Board for its approval. Within 30 days after the list is submitted, the State Board shall approve at least 50 percent of the schools on the list.*

3. ~~*The*~~ *Each year, the Executive Director may select ~~any~~ not more than six public ~~school~~ schools approved for consideration by the State Board pursuant to subsection 2 for conversion to ~~an~~ achievement charter ~~school~~ schools. Before selecting a public school for conversion to an achievement charter school, the Executive Director must:*

(a) *Consider available data concerning pupil achievement and school performance for the public school, including, without limitation, data from the statewide system of accountability for public schools and data maintained by the board of trustees of the school district in which the public school is located;*

(b) *Solicit, in accordance with any regulations adopted pursuant to section 34 of this act, and consider input from parents of pupils enrolled at the public school and other members of the community in which the public school is located; and*

(c) Consult with the board of trustees of the school district in which the public school is located.

4. The Executive Director shall notify a public school selected for conversion to an achievement charter school and the school district in which the public school is located not later than 60 days after making the selection.

Sec. 21. 1. For each public school selected for conversion to an achievement charter school pursuant to section 20 of this act, the Executive Director shall:

(a) Solicit applications from educational management organizations, charter management organizations and other persons to operate the achievement charter school.

(b) Provide information to parents of pupils enrolled at the public school concerning programs of instruction that applicants to operate the achievement charter school have proposed to offer at the achievement charter school and, in accordance with any regulations adopted pursuant to section 34 of this act, solicit the input of such parents concerning the needs of such pupils and the ability of the proposed programs of instruction to address those needs.

(c) Taking into consideration the input provided pursuant to paragraph (b), evaluate the applications submitted to operate the achievement charter school and approve the application that the Executive Director determines is high quality, meets the identified educational needs of pupils and is likely to improve pupil achievement and school performance.

(d) Negotiate and enter into a contract to operate the achievement charter school directly with the charter management organization, educational management organization or other person whose application is approved pursuant to paragraph (c). A contract to operate an achievement charter school must be for a term of 6 years. The term of the contract begins on the first day on which the contract provides that the educational management organization, charter management organization or other person is responsible for the operation of the achievement charter school.

(e) Monitor the performance and compliance of each achievement charter school.

2. The Department shall adopt regulations that prescribe the process by which a charter management organization, educational management organization or other person may apply to operate an achievement charter school. Such regulations must, without limitation:

(a) Require each application to include a plan to involve and engage the parents and families of pupils enrolled at the achievement charter school; and

(b) Authorize a charter management organization, educational management organization or other person to submit one application to operate more than one achievement charter school.

3. If a charter management organization, educational management organization or other person applies to operate more than one achievement

charter school pursuant to paragraph (b) of subsection 2, the Department must not approve the application unless any charter school currently operated by the charter management organization, educational management organization or other person meets specific criteria for pupil achievement and school performance established for each such school by the Department.

Sec. 21.5. 1. After a contract is entered into pursuant to paragraph (d) of subsection 1 of section 21 of this act, the Achievement School District shall be deemed the sponsor of the achievement charter school for all purposes, including, without limitation, receipt of the sponsorship fee prescribed pursuant to NRS 386.570.

2. The charter management organization, educational management organization or other person with whom the Executive Director enters into a contract to operate the achievement charter school shall appoint the governing body of the achievement charter school, consisting of such persons as deemed appropriate by the charter management organization, educational management organization or other person and who meet the requirements set forth in subsection 3. The governing body has such powers and duties as assigned pursuant to sections 12 to 34, inclusive, of this act and any other applicable law or regulation and by the Executive Director.

3. At least two members of the governing body of an achievement charter school must reside in the community in which the achievement charter school is located. A person who is employed by the charter management organization, educational management organization or other person with whom the Executive Director has entered into a contract to operate the achievement charter school may not serve as a voting member of the governing body of the achievement charter school.

4. The Executive Director may terminate a contract to operate an achievement charter school before the expiration of the contract under circumstances prescribed by regulation of the Department.

Sec. 22. 1. After the governing body of an achievement charter school is appointed pursuant to section 21.5 of this act, the governing body shall select the principal of the achievement charter school. The principal shall review each employee of the achievement charter school to determine whether to offer the employee a position in the achievement charter school based on the needs of the school and the ability of the employee to meet effectively those needs. The board of trustees of the school district in which the achievement charter school is located shall reassign any employee who is not offered a position in the achievement charter school or does not accept such a position in accordance with any collective bargaining agreement negotiated pursuant to chapter 288 of NRS.

2. An achievement charter school must continue to operate in the same building in which the school operated before being converted to an achievement charter school. The board of trustees of the school district in which the school is located must provide such use of the building without compensation. While the school is operated as an achievement charter

school, the governing body of the achievement charter school shall pay all costs related to the maintenance and operation of the building and the board of trustees shall pay all capital expenses.

3. The board of trustees of a school district:

(a) Is not required to give priority to a capital project at a public school that is selected for conversion to an achievement charter school; and

(b) Shall not reduce the priority of such a capital project that existed before the school was selected for conversion.

4. Any pupil who was enrolled at the school before it was converted to an achievement charter school must be enrolled in the achievement charter school ~~upon the request of~~ unless the parent or guardian of the pupil ~~if~~ submits a written notice to the principal of the achievement charter school that the pupil will not continue to be enrolled in the achievement charter school.

~~4.7~~ 5. The governing body of an achievement charter school shall not authorize the payment of loans, advances or other monetary charges to the charter management organization, educational management organization or other person with whom the Executive Director has entered into a contract to operate the achievement charter school which are greater than 15 percent of the total expected funding to be received by the achievement charter school from the State Distributive School Account.

Sec. 22.5. 1. Each achievement charter school is hereby deemed a local educational agency for the purpose of receiving any money available from federal and state categorical grant programs. An achievement charter school that receives money pursuant to such a grant program shall comply with any applicable reporting requirements to receive the grant.

2. If an achievement charter school is eligible to receive special education program units, the Department must pay the special education program units directly to the achievement charter school.

3. As used in this section, "local educational agency" has the meaning ascribed to it in 20 U.S.C. § 7801(26)(A).

Sec. 23. 1. Except as otherwise provided in this section, the provisions of NRS 386.490 to 386.649, inclusive, and section 11 of this act are not applicable to an achievement charter school.

2. The provisions of NRS 386.545, 386.547, 386.550, 386.553, 386.555, 386.563 to 386.573, inclusive, 386.582 to 386.588, inclusive, 386.590, 386.593 and 386.598 to 386.649, inclusive, apply to an achievement charter school.

3. The governing body of an achievement charter school may submit a written request to the Superintendent of Public Instruction for a waiver from the requirements of paragraphs (f) to (k), inclusive, of subsection 1 of NRS 386.550 or subsection 2 of that section or, except with regard to a program supported with Title I money, NRS 386.590. The Executive Director may grant such a request if the governing body demonstrates to the satisfaction of the Superintendent of Public Instruction that circumstances

justify the waiver and that granting the waiver is in the best interest of the pupils enrolled in the achievement charter school.

Sec. 24. 1. To the extent money is available from legislative appropriation or otherwise, an achievement charter school may apply to the Department for money for facilities if:

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

(b) The Executive Director has determined that the finances of the achievement charter school are being managed in a prudent manner;

(c) The achievement charter school has met or exceeded the annual measurable objectives and performance targets established pursuant to the statewide system of accountability for public schools or has demonstrated improvement in the achievement of pupils enrolled in the achievement charter school, as indicated by those annual measurable objectives and performance targets, for the majority of the years of its operation; and

(d) At least 75 percent of the pupils enrolled in grade 12 in the achievement charter school in the immediately preceding school year have satisfied the criteria prescribed by the State Board pursuant to NRS 389.805, if the achievement charter school enrolls pupils at a high school grade level.

2. An achievement charter school that does not satisfy the requirements of subsection 1 shall submit a quarterly report of the financial status of the achievement charter school if requested by the Executive Director.

Sec. 25. 1. Upon request of the Executive Director, the board of trustees of the school district in which an achievement charter school is located shall provide facilities to operate the achievement charter school, in addition to and not including the building in which the achievement charter school operates pursuant to section 22 of this act, or perform any service relating to the operation of the achievement charter school, including, without limitation, transportation, the provision of health services for pupils who are enrolled in the achievement charter school and the provision of school police officers. The governing body of the achievement charter school shall reimburse the board of trustees for the cost of such facilities and services. If a dispute arises between the governing body of an achievement charter school or the Executive Director and the board of trustees of a school district concerning the cost of such facilities and services to be reimbursed, the Superintendent of Public Instruction must determine the cost to be reimbursed.

2. In addition to the school building used by the Achievement School District pursuant to section 22 of this act, an achievement charter school may use any public facility located within the school district in which the achievement charter school is located. An achievement charter school may use school buildings owned by the school district only upon approval of the board of trustees of the school district.

3. *The board of trustees of a school district may donate surplus personal property of the school district to an achievement charter school that is located within the school district.*

4. *An achievement charter school may:*

(a) *Acquire by construction, purchase, devise, gift, exchange or lease, or any combination of those methods, and construct, reconstruct, improve, maintain, equip and furnish any building, structure or property to be used for any of its educational purposes and the related appurtenances, easements, rights-of-way, improvements, paving, utilities, landscaping, parking facilities and lands;*

(b) *Mortgage, pledge or otherwise encumber all or any part of its property or assets;*

(c) *Borrow money and otherwise incur indebtedness; and*

(d) *Use public money to purchase real property or buildings with the approval of the Achievement School District.*

5. *To the extent money is available from legislative appropriation or otherwise, an achievement charter school may apply to the Department for money for facilities if it meets the requirements prescribed by regulation of the Department.*

Sec. 26. 1. *Except as otherwise provided in this section, upon the request of a parent or legal guardian of a pupil who is enrolled in an achievement charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in a class that is not available to the pupil at the achievement charter school or participate in an extracurricular activity, excluding sports, at a public school within the school district if:*

(a) *Space for the pupil in the class or extracurricular activity is available; and*

(b) *The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate in the class or extracurricular activity.*

2. *If the board of trustees of a school district authorizes a pupil to participate in a class or extracurricular activity, excluding sports, pursuant to subsection 1, the board of trustees is not required to provide transportation for the pupil to attend the class or activity.*

3. *Upon the request of a parent or legal guardian of a pupil who is enrolled in an achievement charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in sports at the public school that he or she would otherwise be required to attend within the school district or, upon approval of the board of trustees, any public school within the same zone of attendance as the achievement charter school if:*

(a) *Space is available for the pupil to participate; and*

(b) *The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate.*

4. If the board of trustees of a school district authorizes a pupil to participate in sports pursuant to subsection 3, the board of trustees is not required to provide transportation for the pupil to participate.

5. The board of trustees of a school district may revoke its approval for a pupil to participate in a class, extracurricular activity or sport at a public school pursuant to subsections 1 or 3 if the board of trustees or the public school determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees, the public school or the Nevada Interscholastic Activities Association. If the board of trustees so revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

Sec. 27. 1. All employees of an achievement charter school shall be deemed public employees and are not employees of the Department.

2. Except as otherwise provided in a collective bargaining agreement entered into by the governing body of an achievement charter school pursuant to chapter 288 of NRS, the principal of an achievement charter school may make:

(a) All decisions concerning the terms and conditions of employment with the achievement charter school and any other matter relating to employment with the achievement charter school; and

(b) All employment decisions with regard to the employees of the achievement charter school pursuant to NRS 391.311 to 391.3197, inclusive.

3. Upon the request of the governing body of an achievement charter school, the board of trustees of a school district shall, with the permission of the licensed employee who is seeking employment with the achievement charter school, transmit to the governing body a copy of the employment record of the employee that is maintained by the school district. The employment record must include, without limitation, each evaluation of the licensed employee conducted by the school district and any disciplinary action taken by the school district against the licensed employee.

Sec. 28. 1. Except as otherwise provided in this section, if the contract to operate an achievement charter school is terminated or if an achievement charter school ceases to operate as an achievement charter school or charter school, the licensed employees of the achievement charter school must be reassigned to employment within the school district in accordance with the applicable collective bargaining agreement.

2. A school district is not required to reassign a licensed employee of an achievement charter school pursuant to subsection 1 if the employee:

(a) Was not granted a leave of absence by the school district to accept employment at the achievement charter school pursuant to section 29 of this act;

(b) Was granted a leave of absence by the school district and did not submit a written request to return to employment with the school district in accordance with section 29 of this act; or

(c) Does not comply with or is otherwise not eligible to return to employment pursuant to section 30 of this act, including, without limitation, the refusal of the licensed employee to allow the school district to obtain the employment record of the employee that is maintained by the achievement charter school.

Sec. 29. 1. *The board of trustees of a school district shall grant a leave of absence, not to exceed 6 years, to any licensed employee who is employed by the board of trustees who requests such a leave of absence to accept or continue employment with an achievement charter school.*

2. *After any of the first 5 school years in which a licensed employee is on a leave of absence, the employee may return to a comparable teaching position with the board of trustees. After the sixth school year, a licensed employee shall either submit a written request to return to a comparable teaching position or resign from the position for which the employee's leave was granted.*

3. *The board of trustees shall grant a written request to return to a comparable position pursuant to subsection 2 even if the return of the licensed employee requires the board of trustees to reduce the existing workforce of the school district.*

4. *The board of trustees is not required to accept the return of a licensed employee if the employee does not comply with or is otherwise not eligible to return to employment pursuant to section 30 of this act, including, without limitation, the refusal of the licensed employee to allow the school district to obtain the employment record of the employee that is maintained by the achievement charter school.*

5. *The board of trustees may require that a request to return to a comparable teaching position submitted pursuant to subsection 2 be submitted at least 90 days before the employee would otherwise be required to report to duty.*

Sec. 30. 1. *Upon the request of the board of trustees of a school district, the governing body of an achievement charter school shall, with the permission of the licensed employee who is granted a leave of absence from the school district pursuant to section 29 of this act, transmit to the school district a copy of the employment record of the employee that is maintained by the achievement charter school before the return of the employee to employment with the school district pursuant to section 28 or 29 of this act.*

2. *The employment record provided pursuant to subsection 1 must include, without limitation, each evaluation of the licensed employee conducted by the achievement charter school and any disciplinary action taken by the achievement charter school against the licensed employee.*

3. *Before the return of the licensed employee, the board of trustees of the school district may conduct an investigation into any misconduct of the licensed employee during the leave of absence from the school district and take any appropriate disciplinary action as to the status of the person as an employee of the school district, including, without limitation:*

(a) The dismissal of the employee from employment with the school district; or

(b) Upon the employee's return to employment with the school district, documentation of the disciplinary action taken against the employee into the employment record of the employee that is maintained by the school district.

4. If a school district conducts an investigation pursuant to subsection 3:

(a) The licensed employee is not entitled to return to employment with the school district until the investigation is complete; and

(b) The investigation must be conducted within a reasonable time.

Sec. 31. 1. A licensed employee who is on a leave of absence from a school district pursuant to section 29 of this act:

(a) Shall contribute to and be eligible for all benefits for which the employee would otherwise be entitled, including, without limitation, participation in the Public Employees' Retirement System and accrual of time for the purposes of leave and retirement.

(b) Continues, while the employee is on leave, to be covered by the collective bargaining agreement of the school district only with respect to any matter relating to his or her status or employment with the district.

2. The time during which such an employee is on a leave of absence and employed in an achievement charter school does not count toward the acquisition of permanent status with the school district.

3. Upon the return of a teacher to employment in the school district, the teacher is entitled to the same level of retirement, salary and any other benefits to which the teacher would otherwise be entitled if the teacher had not taken a leave of absence to teach in an achievement charter school.

4. An employee of an achievement charter school who is not on a leave of absence from a school district is eligible for all benefits for which the employee would be eligible for employment in a public school, including, without limitation, participation in the Public Employees' Retirement System.

Sec. 32. 1. For all employees of an achievement charter school:

(a) The compensation that a teacher or other school employee would have received if he or she were employed by the school district must be used to determine the appropriate levels of contribution required of the employee and employer for purposes of the Public Employees' Retirement System.

(b) The compensation that is paid to a teacher or other school employee that exceeds the compensation that the employee would have received if he or she were employed by the school district must not be included for the purposes of calculating future retirement benefits of the employee.

2. If the board of trustees of a school district in which an achievement charter school is located manages a plan of group insurance for its employees, the governing body of the achievement charter school may negotiate with the board of trustees to participate in the same plan of group insurance that the board of trustees offers to its employees. If the employees of the achievement charter school participate in the plan of group insurance

managed by the board of trustees, the governing body of the achievement charter school must:

(a) Ensure that the premiums for that insurance are paid to the board of trustees; and

(b) Provide, upon the request of the board of trustees, all information that is necessary for the board of trustees to provide the group insurance to the employees of the achievement charter school.

Sec. 33. 1. During the sixth year that a school operates as an achievement charter school, the Executive Director shall evaluate the pupil achievement and school performance of the school. If, as a result of such an evaluation, the Executive Director determines:

(a) That the achievement charter school has made adequate improvement in pupil achievement and school performance, the governing body of the achievement charter school must decide whether to:

(1) Convert to a public school under the governance of the board of trustees of the school district in which the school is located;

(2) Seek to continue as a charter school subject to the provisions of NRS 386.490 to 386.649, inclusive, and section 11 of this act by applying to the board of trustees of the school district in which the school is located, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education to sponsor the charter school pursuant to NRS 386.525; or

(3) Remain an achievement charter school for at least 6 more years.

(b) That the achievement charter school has not made adequate improvement in pupil achievement and school performance, the school must continue to operate as an achievement charter school for at least 6 more years. The Executive Director shall evaluate the pupil achievement and school performance of such a school at least each 3 years of operation thereafter.

2. If an achievement charter school is converted to a public school under the governance of the board of trustees of a school district pursuant to paragraph (a) of subsection 1, the board of trustees must employ any teacher, administrator or paraprofessional who wishes to continue employment at the school and meets the requirements of chapter 391 of NRS to teach at the school. Any administrator or teacher employed at such a school who was employed by the board of trustees as a postprobationary employee before the school was converted to an achievement charter school and who wishes to continue employment at the school after it is converted back into a public school must be employed as a postprobationary employee.

3. If an achievement charter school becomes a charter school sponsored by the school district in which the charter school is located, the State Public Charter School Authority or a college or university within the Nevada System of Higher Education pursuant to paragraph (a) of subsection 1, the school is subject to the provisions of NRS 386.490 to 386.649, inclusive, and section 11 of this act, and the continued operation of the charter school in

the building in which the school has been operating is subject to the provisions of NRS 386.560.

4. As used in this section, "postprobationary employee" has the meaning ascribed to it in NRS 391.311.

Sec. 34. The Department shall adopt any regulations necessary or convenient to carry out the provisions of sections 12 to 34, inclusive, of this act. The regulations may prescribe, without limitation:

1. The process by which the Executive Director will solicit the input of:

(a) Members of the community in which a public school is located, including, without limitation, parents of pupils enrolled at the public school, before selecting the public school for conversion to an achievement charter school pursuant to section 20 of this act; and

(b) Parents of pupils enrolled at a public school that has been selected for conversion to an achievement charter school concerning the needs of such pupils before approving an application to operate the achievement charter school pursuant to section 21 of this act.

2. The process by which the Executive Director will solicit applications to operate an achievement charter school and the procedure and criteria that the Executive Director must use when evaluating such applications.

3. The manner in which the Executive Director will monitor and evaluate pupil achievement and school performance of an achievement charter school.

4. The process by which the parent or legal guardian of a child may apply for enrollment in an Achievement Charter School, including, without limitation, the required contents of the application, and the criteria used to determine which pupils will be enrolled in the Achievement Charter School. An achievement charter school shall not accept applications for enrollment in the charter school or otherwise discriminate based on the race, gender, religion, ethnicity or disability of a pupil.

5. Circumstances under which the governing body of a charter school may authorize a child who is enrolled in a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school that is not otherwise available to the child at his or her school or homeschool or participate in an extracurricular activity at the achievement charter school.

6. The procedure for converting an achievement charter school into a public school.

Sec. 35. NRS 386.490 is hereby amended to read as follows:

386.490 As used in NRS 386.490 to 386.649, inclusive, and section 11 of this act, the words and terms defined in NRS 386.492 to 386.503, inclusive, and section 11 of this act, have the meanings ascribed to them in those sections.

Sec. 36. NRS 386.505 is hereby amended to read as follows:

386.505 The Legislature declares that by authorizing the formation of charter schools it is not authorizing:

1. ~~{The}~~ ***Except as otherwise provided in section 33 of this act, the*** conversion of an existing public school, homeschool or other program of home study to a charter school.

2. A means for providing financial assistance for private schools or programs of home study. The provisions of this subsection do not preclude:

(a) A private school from ceasing to operate as a private school and reopening as a charter school in compliance with the provisions of NRS 386.490 to 386.649, inclusive ~~{ }~~, ***and section 11 of this act.***

(b) The payment of money to a charter school for the enrollment of children in classes at the charter school pursuant to subsection 5 of NRS 386.580 who are enrolled in a public school of a school district or a private school or who are homeschooled.

3. The formation of charter schools on the basis of a single race, religion or ethnicity.

Sec. 37. NRS 386.506 is hereby amended to read as follows:

386.506 The provisions of NRS 386.490 to 386.649, inclusive, ***and section 11 of this act*** do not authorize an existing public school, homeschool or other program of home study to convert to a charter school ~~{ }~~ ***except as otherwise provided in section 33 of this act.***

Sec. 38. NRS 386.525 is hereby amended to read as follows:

386.525 1. A charter school may submit the application to the proposed sponsor of the charter school. ~~{ }~~ ***Except as otherwise provided in section 33 of this act, if*** an application proposes to convert an existing public school, homeschool or other program of home study into a charter school, the proposed sponsor shall deny the application.

2. The proposed sponsor of a charter school shall, in reviewing an application to form a charter school:

(a) Assemble a team of reviewers who possess the appropriate knowledge and expertise with regard to the academic, financial and organizational experience of charter schools to review and evaluate the application;

(b) Conduct a thorough evaluation of the application, which includes an in-person interview with the committee to form the charter school;

(c) Base its determination on documented evidence collected through the process of reviewing the application; and

(d) Adhere to the policies and practices developed by the proposed sponsor pursuant to subsection 5 of NRS 386.515.

3. The proposed sponsor of a charter school may approve an application to form a charter school only if the proposed sponsor determines that:

(a) The application:

(1) Complies with NRS 386.490 to 386.649, inclusive, ***and section 11 of this act*** and the regulations applicable to charter schools; and

(2) Is complete in accordance with the regulations of the Department; and

(b) The applicant has demonstrated competence in accordance with the criteria for approval prescribed by the sponsor pursuant to subsection 5 of

NRS 386.515 that will likely result in a successful opening and operation of the charter school.

4. If the board of trustees of a school district or a college or a university within the Nevada System of Higher Education, as applicable, receives an application to form a charter school, the board of trustees or the institution, as applicable, shall consider the application at a meeting that must be held not later than 60 days after the receipt of the application, or a later period mutually agreed upon by the committee to form the charter school and the board of trustees of the school district or the institution, as applicable, and ensure that notice of the meeting has been provided pursuant to chapter 241 of NRS. The board of trustees, the college or the university, as applicable, shall review an application in accordance with the requirements for review set forth in subsections 2 and 3.

5. The board of trustees, the college or the university, as applicable, may approve an application if it satisfies the requirements of subsection 3.

6. The board of trustees, the college or the university, as applicable, shall provide written notice to the applicant of its approval or denial of the application. If the board of trustees, the college or the university, as applicable, denies an application, it shall include in the written notice the reasons for the denial and the deficiencies in the application. The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

7. If the board of trustees, the college or the university, as applicable, denies an application after it has been resubmitted pursuant to subsection 6, the applicant may submit a written request for sponsorship by the State Public Charter School Authority not more than 30 days after receipt of the written notice of denial. Any request that is submitted pursuant to this subsection must be accompanied by the application to form the charter school.

8. If the State Public Charter School Authority receives an application pursuant to subsection 1 or 7, it shall consider the application at a meeting which must be held not later than 60 days after receipt of the application or a later period mutually agreed upon by the committee to form the charter school and the State Public Charter School Authority. Notice of the meeting must be posted in accordance with chapter 241 of NRS. The State Public Charter School Authority shall review the application in accordance with the requirements for review set forth in subsections 2 and 3. The State Public Charter School Authority may approve an application only if it satisfies the requirements of subsection 3. Not more than 30 days after the meeting, the State Public Charter School Authority shall provide written notice of its determination to the applicant.

9. If the State Public Charter School Authority denies or fails to act upon an application, the denial or failure to act must be based upon a finding that the applicant failed to satisfy the requirements of subsection 3. The State Public Charter School Authority shall include in the written notice the reasons for the denial or the failure to act and the deficiencies in the application. The

staff designated by the State Public Charter School Authority shall meet with the applicant to confer on the method to correct the identified deficiencies. The applicant must be granted 30 days after receipt of the written notice to correct any deficiencies identified in the written notice and resubmit the application.

10. If the State Public Charter School Authority denies an application after it has been resubmitted pursuant to subsection 9, the applicant may, not more than 30 days after the receipt of the written notice from the State Public Charter School Authority, appeal the final determination to the district court of the county in which the proposed charter school will be located.

11. On or before January 1 of each odd-numbered year, the Superintendent of Public Instruction shall submit a written report to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature. The report must include:

(a) A list of each application to form a charter school that was submitted to the board of trustees of a school district, the State Public Charter School Authority, a college or a university during the immediately preceding biennium;

(b) The educational focus of each charter school for which an application was submitted;

(c) The current status of the application; and

(d) If the application was denied, the reasons for the denial.

Sec. 39. 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 examinations administered 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 NRS 389.807 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. 39.5. NRS 386.560 is hereby amended to read as follows:

386.560 1. The governing body of a charter school may contract with the board of trustees of the school district in which the charter school is located

or in which a pupil enrolled in the charter school resides or with the Nevada System of Higher Education for the provision of facilities to operate the charter school or to perform any service relating to the operation of the charter school, including, without limitation, transportation, the provision of health services for the pupils who are enrolled in the charter school and the provision of school police officers. If the board of trustees of a school district or a college or university within the Nevada System of Higher Education is the sponsor of the charter school, the governing body and the sponsor must enter into a service agreement pursuant to NRS 386.561 before the provision of such services.

2. A charter school may use any public facility located within the school district in which the charter school is located. A charter school may use school buildings owned by the school district only upon approval of the board of trustees of the school district . ~~and during times that are not regular school hours.~~

3. The board of trustees of a school district may donate surplus personal property of the school district to a charter school that is located within the school district.

4. A charter school may:

(a) Acquire by construction, purchase, devise, gift, exchange or lease, or any combination of those methods, and construct, reconstruct, improve, maintain, equip and furnish any building, structure or property to be used for any of its educational purposes and the related appurtenances, easements, rights-of-way, improvements, paving, utilities, landscaping, parking facilities and lands;

(b) Mortgage, pledge or otherwise encumber all or any part of its property or assets;

(c) Borrow money and otherwise incur indebtedness; and

(d) Use public money to purchase real property or buildings with the approval of the sponsor.

5. Except as otherwise provided in this subsection, upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in a class that is not available to the pupil at the charter school or participate in an extracurricular activity, excluding sports, at a public school within the school district if:

(a) Space for the pupil in the class or extracurricular activity is available; and

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate in the class or extracurricular activity.

➡ If the board of trustees of a school district authorizes a pupil to participate in a class or extracurricular activity, excluding sports, pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to attend the class or activity. The provisions of this subsection do not apply to a pupil who is enrolled in a charter school and who desires to

participate on a part-time basis in a program of distance education provided by the board of trustees of a school district pursuant to NRS 388.820 to 388.874, inclusive. Such a pupil must comply with NRS 388.858.

6. Upon the request of a parent or legal guardian of a pupil who is enrolled in a charter school, the board of trustees of the school district in which the pupil resides shall authorize the pupil to participate in sports at the public school that he or she would otherwise be required to attend within the school district, or upon approval of the board of trustees, any public school within the same zone of attendance as the charter school if:

- (a) Space is available for the pupil to participate; and
- (b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the pupil is qualified to participate.

➡ If the board of trustees of a school district authorizes a pupil to participate in sports pursuant to this subsection, the board of trustees is not required to provide transportation for the pupil to participate.

7. The board of trustees of a school district may revoke its approval for a pupil to participate in a class, extracurricular activity or sports at a public school pursuant to subsections 5 and 6 if the board of trustees or the public school determines that the pupil has failed to comply with applicable statutes, or applicable rules and regulations of the board of trustees, the public school or the Nevada Interscholastic Activities Association. If the board of trustees so revokes its approval, neither the board of trustees nor the public school is liable for any damages relating to the denial of services to the pupil.

Sec. 40. NRS 386.593 is hereby amended to read as follows:

386.593 1. A person who is initially hired as a paraprofessional by a charter school after January 8, 2002, to work in a program supported with Title I money must possess the qualifications required by 20 U.S.C. § 6319(c).

2. A person who is employed as a paraprofessional by a charter school, regardless of the date of hire, to work in a program supported with Title I money must possess, on or before January 8, 2006, the qualifications required by 20 U.S.C. § 6319(c).

3. For the purposes of this section, a person is not “initially hired” if the person has been employed as a paraprofessional by another school district, **achievement charter school** or charter school in this State without an interruption in employment before the date of hire by his or her current employer.

4. As used in this section, “paraprofessional” has the meaning ascribed to it in NRS 391.008.

Sec. 41. NRS 386.720 is hereby amended to read as follows:

386.720 1. There is hereby established a Program of Empowerment Schools for public schools within this State. The Program does not include a university school for profoundly gifted pupils ~~and~~ **or an achievement charter school.**

2. The board of trustees of a school district which is located:

(a) In a county whose population is less than 100,000 may approve public schools located within the school district to operate as empowerment schools.

(b) In a county whose population is 100,000 or more shall approve not less than 5 percent of the schools located within the school district to operate as empowerment schools.

3. The board of trustees of a school district which participates in the Program of Empowerment Schools shall, on or before September 1 of each year, provide notice to the Department of the number of schools within the school district that are approved to operate as empowerment schools for that school year.

4. The board of trustees of a school district that participates in the Program of Empowerment Schools may create a design team for the school district. If such a design team is created, the membership of the design team must consist of the following persons appointed by the board of trustees:

(a) At least one representative of the board of trustees;

(b) The superintendent of the school district, or the superintendent's designee;

(c) Parents and legal guardians of pupils enrolled in public schools in the school district;

(d) Teachers and other educational personnel employed by the school district, including, without limitation, school administrators;

(e) Representatives of organizations that represent teachers and other educational personnel;

(f) Representatives of the community in which the school district is located and representatives of businesses within the community; and

(g) Such other members as the board of trustees determines are necessary.

5. If a design team is created for a school district, the design team shall:

(a) Recommend policies and procedures relating to empowerment schools to the board of trustees of the school district; and

(b) Advise the board of trustees on issues relating to empowerment schools.

6. The board of trustees of a school district may accept gifts, grants and donations from any source for the support of the empowerment schools within the school district.

Sec. 42. NRS 387.067 is hereby amended to read as follows:

387.067 1. The State Board may accept and adopt regulations or establish policies for the disbursement of money appropriated and apportioned to the State of Nevada, the school districts or the charter schools of the State of Nevada by the Congress of the United States for purposes of elementary and secondary education.

2. The Superintendent of Public Instruction shall deposit the money with the State Treasurer, who shall make disbursements therefrom on warrants of the State Controller issued upon the order of the Superintendent of Public Instruction.

3. The State Board, any school district within this State, ***the Achievement School District*** and any governing body of any charter school in this State may, within the limits provided in this section, make such applications, agreements and assurances to the Federal Government, and conduct such programs as may be required as a condition precedent to the receipt of money appropriated by any Act of Congress for purposes of elementary and secondary education. Such an agreement or assurance must not require this State, or a school district or governing body to provide money above the amount appropriated or otherwise lawfully available for that purpose.

Sec. 43. NRS 387.080 is hereby amended to read as follows:

387.080 1. The Director may enter into agreements with any agency of the Federal Government, the Department, the State Board, ***the Achievement School District***, any board of trustees of a school district, any governing body of a charter school or any other entity or person. The Director may establish policies and prescribe regulations, authorize the employment of such personnel and take such other action as it considers necessary to provide for the establishment, maintenance, operation and expansion of any program of nutrition operated by a school district or of any other such program for which state or federal assistance is provided.

2. The State Treasurer shall disburse federal, state and other money designated for a program of nutrition on warrants of the State Controller issued upon the order of the Director pursuant to regulations or policies of the State Department of Agriculture.

3. The Director may:

(a) Give technical advice and assistance to any person or entity in connection with the establishment and operation of any program of nutrition.

(b) Assist in training personnel engaged in the operation of any program of nutrition.

Sec. 44. NRS 387.090 is hereby amended to read as follows:

387.090 The board of trustees of each school district, ***the Executive Director of the Achievement School District*** and the governing body of each charter school may:

1. Operate or provide for the operation of programs of nutrition in the public schools under their jurisdiction.

2. Use therefor money disbursed to them pursuant to the provisions of NRS 387.068 to 387.112, inclusive, gifts, donations and other money received from the sale of food under those programs.

3. Deposit the money in one or more accounts in one or more banks or credit unions within the State.

4. Contract with respect to food, services, supplies, equipment and facilities for the operation of the programs.

Sec. 45. NRS 387.123 is hereby amended to read as follows:

387.123 1. The count of pupils for apportionment purposes includes all pupils who are enrolled in programs of instruction of the school district, including, without limitation, a program of distance education provided by the

school district, pupils who reside in the county in which the school district is located and are enrolled in any charter school, including, without limitation, a program of distance education provided by a charter school, and pupils who are enrolled in a university school for profoundly gifted pupils located in the county, for:

- (a) Pupils in the kindergarten department.
- (b) Pupils in grades 1 to 12, inclusive.
- (c) Pupils not included under paragraph (a) or (b) who are receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive.
- (d) Pupils who reside in the county and are enrolled part-time in a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.
- (e) Children detained in facilities for the detention of children, alternative programs and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570.
- (f) Pupils who are enrolled in classes pursuant to subsection 5 of NRS 386.560, ~~and~~ ***pupils who are enrolled in classes pursuant to subsection 5 of NRS 386.580 ~~1~~ and pupils who are enrolled in classes pursuant to subsection 1 of section 26 of this act or any regulations adopted pursuant to section 34 of this act that authorize a child who is enrolled at a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school.***
- (g) Pupils who are enrolled in classes pursuant to subsection 3 of NRS 392.070.
- (h) Pupils who are enrolled in classes and taking courses necessary to receive a high school diploma, excluding those pupils who are included in paragraphs (d), (f) and (g).

2. The State Board shall establish uniform regulations for counting enrollment and calculating the average daily attendance of pupils. In establishing such regulations for the public schools, the State Board:

- (a) Shall divide the school year into 10 school months, each containing 20 or fewer school days, or its equivalent for those public schools operating under an alternative schedule authorized pursuant to NRS 388.090.
- (b) May divide the pupils in grades 1 to 12, inclusive, into categories composed respectively of those enrolled in elementary schools and those enrolled in secondary schools.
- (c) Shall prohibit the counting of any pupil specified in subsection 1 more than once.

3. Except as otherwise provided in subsection 4 and NRS 388.700, the State Board shall establish by regulation the maximum pupil-teacher ratio in each grade, and for each subject matter wherever different subjects are taught in separate classes, for each school district of this State which is consistent with:

- (a) The maintenance of an acceptable standard of instruction;
- (b) The conditions prevailing in the school district with respect to the number and distribution of pupils in each grade; and

(c) Methods of instruction used, which may include educational television, team teaching or new teaching systems or techniques.

↪ If the Superintendent of Public Instruction finds that any school district is maintaining one or more classes whose pupil-teacher ratio exceeds the applicable maximum, and unless the Superintendent finds that the board of trustees of the school district has made every reasonable effort in good faith to comply with the applicable standard, the Superintendent shall, with the approval of the State Board, reduce the count of pupils for apportionment purposes by the percentage which the number of pupils attending those classes is of the total number of pupils in the district, and the State Board may direct the Superintendent to withhold the quarterly apportionment entirely.

4. The provisions of subsection 3 do not apply to a charter school, a university school for profoundly gifted pupils or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.

Sec. 46. NRS 387.1233 is hereby amended to read as follows:

387.1233 1. Except as otherwise provided in subsection 2, basic support of each school district must be computed by:

(a) Multiplying the basic support guarantee per pupil established for that school district for that school year by the sum of:

(1) Six-tenths the count of pupils enrolled in the kindergarten department on the last day of the first school month of the school district for the school year, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school on the last day of the first school month of the school district for the school year.

(2) The count of pupils enrolled in grades 1 to 12, inclusive, on the last day of the first school month of the school district for the school year, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school on the last day of the first school month of the school district for the school year and the count of pupils who are enrolled in a university school for profoundly gifted pupils located in the county.

(3) The count of pupils not included under subparagraph (1) or (2) who are enrolled full-time in a program of distance education provided by that school district or a charter school located within that school district on the last day of the first school month of the school district for the school year.

(4) The count of pupils who reside in the county and are enrolled:

(I) In a public school of the school district and are concurrently enrolled part-time in a program of distance education provided by another school district or a charter school on the last day of the first school month of the school district for the school year, expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (2).

(II) In a charter school and are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school on the last day of the first school month of the school district for the

school year, expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (2).

(5) The count of pupils not included under subparagraph (1), (2), (3) or (4), who are receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive, on the last day of the first school month of the school district for the school year, excluding the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to subsection 1 of NRS 388.475 on that day.

(6) Six-tenths the count of pupils who have not attained the age of 5 years and who are receiving special education pursuant to subsection 1 of NRS 388.475 on the last day of the first school month of the school district for the school year.

(7) The count of children detained in facilities for the detention of children, alternative programs and juvenile forestry camps receiving instruction pursuant to the provisions of NRS 388.550, 388.560 and 388.570 on the last day of the first school month of the school district for the school year.

(8) The count of pupils who are enrolled in classes for at least one semester pursuant to subsection 5 of NRS 386.560, subsection 5 of NRS 386.580, ~~for~~ subsection 3 of NRS 392.070 ~~or~~ **or subsection 1 of section 26 of this act or any regulations adopted pursuant to section 34 of this act that authorize a child who is enrolled at a public school of a school district or a private school or a homeschooled child to participate in a class at an achievement charter school**, expressed as a percentage of the total time services are provided to those pupils per school day in proportion to the total time services are provided during a school day to pupils who are counted pursuant to subparagraph (2).

(b) Multiplying the number of special education program units maintained and operated by the amount per program established for that school year.

(c) Adding the amounts computed in paragraphs (a) and (b).

2. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district on the last day of the first school month of the school district for the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school on the last day of the first school month of the school district for the immediately preceding school year, the largest number from among the immediately preceding 2 school years must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

3. Except as otherwise provided in subsection 4, if the enrollment of pupils in a school district or a charter school that is located within the school district on the last day of the first school month of the school district for the school year is more than 95 percent of the enrollment of pupils in the same school

district or charter school on the last day of the first school month of the school district for the immediately preceding school year, the larger enrollment number from the current year or the immediately preceding school year must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

4. If the Department determines that a school district or charter school deliberately causes a decline in the enrollment of pupils in the school district or charter school to receive a higher apportionment pursuant to subsection 2 or 3, including, without limitation, by eliminating grades or moving into smaller facilities, the enrollment number from the current school year must be used for purposes of apportioning money from the State Distributive School Account to that school district or charter school pursuant to NRS 387.124.

5. Pupils who are excused from attendance at examinations or have completed their work in accordance with the rules of the board of trustees must be credited with attendance during that period.

6. Pupils who are incarcerated in a facility or institution operated by the Department of Corrections must not be counted for the purpose of computing basic support pursuant to this section. The average daily attendance for such pupils must be reported to the Department of Education.

7. Pupils who are enrolled in courses which are approved by the Department as meeting the requirements for an adult to earn a high school diploma must not be counted for the purpose of computing basic support pursuant to this section.

Sec. 47. NRS 388.020 is hereby amended to read as follows:

388.020 1. An elementary school is a public school in which grade work is not given above that included in the eighth grade, according to the regularly adopted state course of study.

2. A junior high or middle school is a public school in which the sixth, seventh, eighth and ninth grades are taught under a course of study prescribed and approved by the State Board. The school is an elementary or secondary school for the purpose of the licensure of teachers.

3. A high school is a public school in which subjects above the eighth grade, according to the state course of study, may be taught. The school is a secondary school for the purpose of the licensure of teachers.

4. A special school is an organized unit of instruction operating with approval of the State Board.

5. A charter school is a public school that is formed pursuant to the provisions of NRS 386.490 to 386.649, inclusive ~~1-1~~, **and section 11 of this act or an achievement charter school that is formed pursuant to sections 12 to 34, inclusive, of this act.**

6. A university school for profoundly gifted pupils is a public school established pursuant to NRS 392A.010 to 392A.110, inclusive.

Sec. 48. NRS 388.795 is hereby amended to read as follows:

388.795 1. The Commission shall establish a plan for the use of educational technology in the public schools of this State. In preparing the plan, the Commission shall consider:

- (a) Plans that have been adopted by the Department and the school districts in this State;
- (b) Plans that have been adopted in other states;
- (c) The information reported pursuant to NRS 385.3493 and similar information included in the annual report of accountability information prepared by the State Public Charter School Authority , ***the Achievement School District*** and a college or university within the Nevada System of Higher Education that sponsors a charter school pursuant to subsection 3 of NRS 385.347;
- (d) The results of the assessment of needs conducted pursuant to subsection 6; and
- (e) Any other information that the Commission or the Committee deems relevant to the preparation of the plan.

2. The plan established by the Commission must include recommendations for methods to:

- (a) Incorporate educational technology into the public schools of this State;
- (b) Increase the number of pupils in the public schools of this State who have access to educational technology;
- (c) Increase the availability of educational technology to assist licensed teachers and other educational personnel in complying with the requirements of continuing education, including, without limitation, the receipt of credit for college courses completed through the use of educational technology;
- (d) Facilitate the exchange of ideas to improve the achievement of pupils who are enrolled in the public schools of this State; and
- (e) Address the needs of teachers in incorporating the use of educational technology in the classroom, including, without limitation, the completion of training that is sufficient to enable the teachers to instruct pupils in the use of educational technology.

3. The Department shall provide:

- (a) Administrative support;
- (b) Equipment; and
- (c) Office space,

➡ as is necessary for the Commission to carry out the provisions of this section.

4. The following entities shall cooperate with the Commission in carrying out the provisions of this section:

- (a) The State Board.
- (b) The board of trustees of each school district.
- (c) The superintendent of schools of each school district.
- (d) The Department.

5. The Commission shall:

(a) Develop technical standards for educational technology and any electrical or structural appurtenances necessary thereto, including, without limitation, uniform specifications for computer hardware and wiring, to ensure that such technology is compatible, uniform and can be interconnected throughout the public schools of this State.

(b) Allocate money to the school districts from the Trust Fund for Educational Technology created pursuant to NRS 388.800 and any money appropriated by the Legislature for educational technology, subject to any priorities for such allocation established by the Legislature.

(c) Establish criteria for the board of trustees of a school district that receives an allocation of money from the Commission to:

(1) Repair, replace and maintain computer systems.

(2) Upgrade and improve computer hardware and software and other educational technology.

(3) Provide training, installation and technical support related to the use of educational technology within the district.

(d) Submit to the Governor, the Committee and the Department its plan for the use of educational technology in the public schools of this State and any recommendations for legislation.

(e) Review the plan annually and make revisions as it deems necessary or as directed by the Committee or the Department.

(f) In addition to the recommendations set forth in the plan pursuant to subsection 2, make further recommendations to the Committee and the Department as the Commission deems necessary.

6. During the spring semester of each even-numbered school year, the Commission shall conduct an assessment of the needs of each school district relating to educational technology. In conducting the assessment, the Commission shall consider:

(a) The recommendations set forth in the plan pursuant to subsection 2;

(b) The plan for educational technology of each school district, if applicable;

(c) Evaluations of educational technology conducted for the State or for a school district, if applicable; and

(d) Any other information deemed relevant by the Commission.

➡ The Commission shall submit a final written report of the assessment to the Superintendent of Public Instruction on or before April 1 of each even-numbered year.

7. The Superintendent of Public Instruction shall prepare a written compilation of the results of the assessment conducted by the Commission and transmit the written compilation on or before June 1 of each even-numbered year to the Legislative Committee on Education and to the Director of the Legislative Counsel Bureau for transmission to the next regular session of the Legislature.

8. The Commission may appoint an advisory committee composed of members of the Commission or other qualified persons to provide

recommendations to the Commission regarding standards for the establishment, coordination and use of a telecommunications network in the public schools throughout the various school districts in this State. The advisory committee serves at the pleasure of the Commission and without compensation unless an appropriation or other money for that purpose is provided by the Legislature.

9. As used in this section, “public school” includes the Caliente Youth Center, the Nevada Youth Training Center and any other state facility for the detention of children that is operated pursuant to title 5 of NRS.

Sec. 49. NRS 388.880 is hereby amended to read as follows:

388.880 1. Except as otherwise provided in subsection 2, if any person who knows or has reasonable cause to believe that another person has made a threat of violence against a school official, school employee or pupil reports in good faith that threat of violence to a school official, teacher, school police officer, local law enforcement agency or potential victim of the violence that is threatened, the person who makes the report is immune from civil liability for any act or omission relating to that report. Such a person is not immune from civil liability for any other act or omission committed by the person as a part of, in connection with or as a principal, accessory or conspirator to the violence, regardless of the nature of the other act or omission.

2. The provisions of this section do not apply to a person who:

(a) Is acting in his or her professional or occupational capacity and is required to make a report pursuant to NRS 200.5093, 200.50935 or 432B.220.

(b) Is required to make a report concerning the commission of a violent or sexual offense against a child pursuant to NRS 202.882.

3. As used in this section:

(a) “Reasonable cause to believe” means, in light of all the surrounding facts and circumstances which are known, a reasonable person would believe, under those facts and circumstances, that an act, transaction, event, situation or condition exists, is occurring or has occurred.

(b) “School employee” means a licensed or unlicensed person who is employed by:

(1) A board of trustees of a school district pursuant to NRS 391.100; ~~for~~

(2) The governing body of a charter school ~~for~~; **or**

(3) The Achievement School District.

(c) “School official” means:

(1) A member of the board of trustees of a school district.

(2) A member of the governing body of a charter school.

(3) An administrator employed by the board of trustees of a school district or the governing body of a charter school.

(4) The Executive Director of the Achievement School District.

(d) “Teacher” means a person employed by the:

(1) Board of trustees of a school district to provide instruction or other educational services to pupils enrolled in public schools of the school district.

(2) Governing body of a charter school to provide instruction or other educational services to pupils enrolled in the charter school.

Sec. 50. NRS 389.612 is hereby amended to read as follows:

389.612 "School official" means:

1. A member of a board of trustees of a school district;
2. A member of a governing body of a charter school; or
3. A licensed or unlicensed person employed by the board of trustees of a school district , ~~for~~ the governing body of a charter school ~~or~~ **or the Achievement School District.**

Sec. 51. 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 389.550 and 389.805 and the college and career readiness assessment administered pursuant to NRS 389.807.

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, **Achievement School District**, charter school or Department, or any combination thereof, who are responsible for taking the action; and

(2) Whether the school district, **Achievement 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. 52. NRS 391.045 is hereby amended to read as follows:

391.045 The Superintendent of Public Instruction shall file with the clerk of the board of trustees of each local school district a directory of all teachers and other educational personnel, including, without limitation, teachers and

educational personnel employed by a charter school pursuant to NRS 386.590 and 386.595, **and sections 27 to 32, inclusive, of this act**, who are entitled to draw salaries from the county school district fund, and shall advise the clerk from time to time of any changes or additions to the directory.

Sec. 53. NRS 391.180 is hereby amended to read as follows:

391.180 1. As used in this section, “employee” means any employee of a school district or charter school in this State.

2. A school month in any public school in this State consists of 4 weeks of 5 days each.

3. Nothing contained in this section prohibits the payment of employees’ compensation in 12 equal monthly payments for 9 or more months’ work.

4. The per diem deduction from the salary of an employee because of absence from service for reasons other than those specified in this section is that proportion of the yearly salary which is determined by the ratio between the duration of the absence and the total number of contracted workdays in the year.

5. Boards of trustees shall either prescribe by regulation or negotiate pursuant to chapter 288 of NRS, with respect to sick leave, accumulation of sick leave, payment for unused sick leave, sabbatical leave, personal leave, professional leave, military leave and such other leave as they determine to be necessary or desirable for employees. In addition, boards of trustees may either prescribe by regulation or negotiate pursuant to chapter 288 of NRS with respect to the payment of unused sick leave to licensed teachers in the form of purchase of service pursuant to subsection 4 of NRS 286.300. The amount of service so purchased must not exceed the number of hours of unused sick leave or 1 year, whichever is less.

6. The salary of any employee unavoidably absent because of personal illness or accident, or because of serious illness, accident or death in the family, may be paid up to the number of days of sick leave accumulated by the employee. An employee may not be credited with more than 15 days of sick leave in any 1 school year. Except as otherwise provided in this subsection, if an employee takes a position with another school district or charter school, all sick leave that the employee has accumulated must be transferred from the employee’s former school district or charter school to his or her new school district or charter school. The amount of sick leave so transferred may not exceed the maximum amount of sick leave which may be carried forward from one year to the next according to the applicable negotiated agreement or the policy of the district or charter school into which the employee transferred. Unless the applicable negotiated agreement or policy of the employing district or charter school provides otherwise, such an employee:

(a) Shall first use the sick leave credited to the employee from the district or charter school into which the employee transferred before using any of the transferred leave; and

(b) Is not entitled to compensation for any sick leave transferred pursuant to this subsection.

7. Subject to the provisions of subsection 8:

(a) If an intermission of less than 6 days is ordered by the board of trustees of a school district or the governing body of a charter school for any good reason, no deduction of salary may be made therefor.

(b) If, on account of sickness, epidemic or other emergency in the community, a longer intermission is ordered by the board of trustees of a school district, the governing body of a charter school or a board of health and the intermission or closing does not exceed 30 days at any one time, there may be no deduction or discontinuance of salaries.

8. If the board of trustees of a school district or the governing body of a charter school orders an extension of the number of days of school to compensate for the days lost as the result of an intermission because of those reasons contained in paragraph (b) of subsection 7, an employee may be required to render his or her services to the school district or charter school during that extended period. If the salary of the employee was continued during the period of intermission as provided in subsection 7, the employee is not entitled to additional compensation for services rendered during the extended period.

9. If any subject referred to in this section is included in an agreement or contract negotiated by:

(a) The board of trustees of a school district pursuant to chapter 288 of NRS; or

(b) The governing body of a charter school pursuant to NRS 386.595, **or sections 27 to 32, inclusive, of this act,**

↪ the provisions of the agreement or contract regarding that subject supersede any conflicting provisions of this section or of a regulation of the board of trustees.

Sec. 54. NRS 391.620 is hereby amended to read as follows:

391.620 "School official" means:

1. A member of a board of trustees of a school district;
2. A member of a governing body of a charter school; or
3. A licensed or unlicensed person employed by the board of trustees of a school district , ~~for~~ the governing body of a charter school ~~[-] or the Achievement School District.~~

Sec. 55. NRS 392.128 is hereby amended to read as follows:

392.128 1. Each advisory board to review school attendance created pursuant to NRS 392.126 shall:

(a) Review the records of the attendance and truancy of pupils submitted to the advisory board to review school attendance by the board of trustees of the school district or the State Public Charter School Authority , **the Achievement School District** or a college or university within the Nevada System of Higher Education that sponsors a charter school pursuant to subsection 2 of NRS 385.3481;

(b) Identify factors that contribute to the truancy of pupils in the school district;

(c) Establish programs to reduce the truancy of pupils in the school district, including, without limitation, the coordination of services available in the community to assist with the intervention, diversion and discipline of pupils who are truant;

(d) At least annually, evaluate the effectiveness of those programs;

(e) Establish a procedure for schools and school districts for the reporting of the status of pupils as habitual truants; and

(f) Inform the parents and legal guardians of the pupils who are enrolled in the schools within the district of the policies and procedures adopted pursuant to the provisions of this section.

2. The chair of an advisory board may divide the advisory board into subcommittees. The advisory board may delegate one or more of the duties of the advisory board to a subcommittee of the advisory board, including, without limitation, holding hearings pursuant to NRS 392.147. If the chair of an advisory board divides the advisory board into subcommittees, the chair shall notify the board of trustees of the school district of this action. Upon receipt of such a notice, the board of trustees shall establish rules and procedures for each such subcommittee. A subcommittee shall abide by the applicable rules and procedures when it takes action or makes decisions.

3. An advisory board to review school attendance may work with a family resource center or other provider of community services to provide assistance to pupils who are truant. The advisory board shall identify areas within the school district in which community services are not available to assist pupils who are truant. As used in this subsection, “family resource center” has the meaning ascribed to it in NRS 430A.040.

4. An advisory board to review school attendance created in a county pursuant to NRS 392.126 may use money appropriated by the Legislature and any other money made available to the advisory board for the use of programs to reduce the truancy of pupils in the school district. The advisory board to review school attendance shall, on a quarterly basis, provide to the board of trustees of the school district an accounting of the money used by the advisory board to review school attendance to reduce the truancy of pupils in the school district.

Sec. 56. NRS 400.030 is hereby amended to read as follows:

400.030 1. The P-20W Advisory Council, consisting of 11 voting members, is hereby created to assist in the coordination between early childhood education programs, K-12 public education, postsecondary education and the workforce in this State. The Chancellor of the System, the Superintendent of Public Instruction and the Director of the Department of Employment, Training and Rehabilitation serve as ex officio nonvoting members of the Council.

2. The Governor shall appoint five members to the Council as follows:

(a) One representative of higher education in this State.

(b) One representative of elementary and secondary education in this State.

(c) One representative of private business in this State.

(d) One member who is a parent of a pupil enrolled in a public school in this State or of a student enrolled in the System. The parent must not be employed by the board of trustees of a school district, ***the Achievement School District***, the governing body of a charter school or the System.

(e) One person who possesses knowledge of and experience in early childhood education programs and services for children in this State from birth through prekindergarten.

3. The Majority Leader of the Senate and the Speaker of the Assembly shall each appoint two members to the Council as follows:

(a) One member of the House of the Legislature that he or she represents.

(b) One person who meets the qualifications of paragraph (a), (b), (c) or (e) of subsection 2.

4. The Minority Leader of the Senate and the Minority Leader of the Assembly shall each appoint one member to the Council who is a member of the general public.

5. The members of the Council shall elect a Chair and a Vice Chair from among the members of the Council. After the initial term, the Chair and Vice Chair serve in the office for a term of 2 years beginning July 1 of each odd-numbered year. If a vacancy occurs in the office of Chair or Vice Chair, the members of the Council shall elect a member to fill the vacancy to serve for the remainder of the unexpired term of that office.

6. After the initial terms, each member of the Council serves a term of 3 years commencing on July 1 of the year of appointment. Such members may be reappointed for one additional term. A vacancy on the Council must be filled for the remainder of the unexpired term in the same manner as the original appointment. Each member of the Council continues in office until his or her successor is appointed.

7. Any member who is absent from two consecutive meetings of the Council without permission of the Chair:

(a) Forfeits his or her office; and

(b) Must be replaced as provided in subsection 6 for the filling of a vacancy before the end of a term.

Sec. 57. The preliminary chapter of NRS is hereby amended by adding thereto the provisions set forth as sections 58 and 59 of this act.

Sec. 58. *Except as otherwise expressly provided in a particular statute or required by the context, "Achievement School District" means the Achievement School District created by section 17 of this act.*

Sec. 59. *Except as otherwise expressly provided in a particular statute or required by the context, "charter school" means a public school that is formed pursuant to the provisions of NRS 386.490 to 386.649, inclusive, and section 11 of this act, and an achievement charter school formed pursuant to the provisions of sections 12 to 34, inclusive, of this act.*

Sec. 60. NRS 41.0305 is hereby amended to read as follows:

41.0305 As used in NRS 41.0305 to 41.039, inclusive, the term "political subdivision" includes an organization that was officially designated as a

community action agency pursuant to 42 U.S.C. § 2790 before that section was repealed and is included in the definition of an “eligible entity” pursuant to 42 U.S.C. § 9902, the Nevada Rural Housing Authority, an airport authority created by special act of the Legislature, a regional transportation commission and a fire protection district, **an** irrigation district, **a** school district, **the Achievement School District**, **the** governing body of a charter school, any other special district that performs a governmental function, even though it does not exercise general governmental powers, and the governing body of a university school for profoundly gifted pupils.

Sec. 61. NRS 288.150 is hereby amended to read as follows:

288.150 1. Except as provided in subsection 4, every local government employer shall negotiate in good faith through one or more representatives of its own choosing concerning the mandatory subjects of bargaining set forth in subsection 2 with the designated representatives of the recognized employee organization, if any, for each appropriate bargaining unit among its employees. If either party so requests, agreements reached must be reduced to writing.

2. The scope of mandatory bargaining is limited to:

- (a) Salary or wage rates or other forms of direct monetary compensation.
- (b) Sick leave.
- (c) Vacation leave.
- (d) Holidays.
- (e) Other paid or nonpaid leaves of absence.
- (f) Insurance benefits.
- (g) Total hours of work required of an employee on each workday or workweek.
- (h) Total number of days’ work required of an employee in a work year.
- (i) Discharge and disciplinary procedures.
- (j) Recognition clause.
- (k) The method used to classify employees in the bargaining unit.
- (l) Deduction of dues for the recognized employee organization.
- (m) Protection of employees in the bargaining unit from discrimination because of participation in recognized employee organizations consistent with the provisions of this chapter.
- (n) No-strike provisions consistent with the provisions of this chapter.
- (o) Grievance and arbitration procedures for resolution of disputes relating to interpretation or application of collective bargaining agreements.
- (p) General savings clauses.
- (q) Duration of collective bargaining agreements.
- (r) Safety of the employee.
- (s) Teacher preparation time.
- (t) Materials and supplies for classrooms.
- (u) ~~The~~ **Except as otherwise provided in subsection 6, the** policies for the transfer and reassignment of teachers.
- (v) Procedures for reduction in workforce consistent with the provisions of this chapter.

(w) Procedures and requirements for the reopening of collective bargaining agreements that exceed 1 year in duration for additional, further, new or supplementary negotiations during periods of fiscal emergency. The requirements for the reopening of a collective bargaining agreement must include, without limitation, measures of revenue shortfalls or reductions relative to economic indicators such as the Consumer Price Index, as agreed upon by both parties.

3. Those subject matters which are not within the scope of mandatory bargaining and which are reserved to the local government employer without negotiation include:

(a) Except as otherwise provided in paragraph (u) of subsection 2, the right to hire, direct, assign or transfer an employee, but excluding the right to assign or transfer an employee as a form of discipline.

(b) The right to reduce in force or lay off any employee because of lack of work or lack of money, subject to paragraph (v) of subsection 2.

(c) The right to determine:

(1) Appropriate staffing levels and work performance standards, except for safety considerations;

(2) The content of the workday, including without limitation workload factors, except for safety considerations;

(3) The quality and quantity of services to be offered to the public; and

(4) The means and methods of offering those services.

(d) Safety of the public.

4. Notwithstanding the provisions of any collective bargaining agreement negotiated pursuant to this chapter, a local government employer is entitled to take whatever actions may be necessary to carry out its responsibilities in situations of emergency such as a riot, military action, natural disaster or civil disorder. Those actions may include the suspension of any collective bargaining agreement for the duration of the emergency. Any action taken under the provisions of this subsection must not be construed as a failure to negotiate in good faith.

5. The provisions of this chapter, including without limitation the provisions of this section, recognize and declare the ultimate right and responsibility of the local government employer to manage its operation in the most efficient manner consistent with the best interests of all its citizens, its taxpayers and its employees.

6. ***The board of trustees of a school district may reassign any member of the staff of a school that is converted to an achievement charter school pursuant to sections 20 to 22, inclusive, of this act and any provision of any agreement negotiated pursuant to this chapter which provides otherwise is unenforceable and void.***

7. This section does not preclude, but this chapter does not require, the local government employer to negotiate subject matters enumerated in subsection 3 which are outside the scope of mandatory bargaining. The local

government employer shall discuss subject matters outside the scope of mandatory bargaining but it is not required to negotiate those matters.

~~{7-}~~ **8.** Contract provisions presently existing in signed and ratified agreements as of May 15, 1975, at 12 p.m. remain negotiable.

9. As used in this section, “achievement charter school” has the meaning ascribed to it in NRS 385.007.

Sec. 62. NRS 332.185 is hereby amended to read as follows:

332.185 1. Except as otherwise provided in subsection 2 and NRS 244.1505 and 334.070, all sales of personal property of the local government must be made, as nearly as possible, under the same conditions and limitations as required by this chapter in the purchase of personal property. The governing body or its authorized representative may dispose of personal property of the local government by any manner, including, without limitation, at public auction, if the governing body or its authorized representative determines that the property is no longer required for public use and deems such action desirable and in the best interests of the local government.

2. The board of trustees of a school district may donate surplus personal property of the school district to any other school district in this State, **to the Achievement School District** or to a charter school that is located within the school district without regard to:

(a) The provisions of this chapter; or

(b) Any statute, regulation, ordinance or resolution that requires:

(1) The posting of notice or public advertising.

(2) The inviting or receiving of competitive bids.

(3) The selling or leasing of personal property by contract or at a public auction.

3. The provisions of this chapter do not apply to the purchase, sale, lease or transfer of real property by the governing body.

Sec. 63. NRS 361.065 is hereby amended to read as follows:

361.065 All lots, buildings and other school property owned by any legally created school district, **the Achievement School District** or a charter school within the State and devoted to public school purposes are exempt from taxation.

Sec. 64. NRS 656A.020 is hereby amended to read as follows:

656A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS ~~{656A.023}~~ **656A.025** to 656A.065, inclusive, have the meanings ascribed to them in those sections.

Sec. 65. The provisions of section 20 of this act apply to any public school regardless of any other designations or programs to which the school may already be included. The prior ratings of such a public school may be used to determine whether to convert the school into an achievement charter school. As used in this section, “achievement charter school” has the meaning ascribed to it in NRS 385.007, as amended by section 2 of this act.

Sec. 66. The provisions of NRS 288.150, as amended by section 61 of this act:

1. Apply to any collective bargaining agreement entered into, extended or renewed on or after July 1, 2016, and any provision of the agreement that is in conflict with that section, as amended, is void.

2. Do not apply to any collective bargaining agreement entered into before the effective date of this act during the current term of the agreement.

Sec. 67. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 68. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 69. NRS 656A.023 is hereby repealed.

Sec. 70. This act becomes effective:

1. Upon passage and approval for the purpose of adopting regulations and carrying out any other preparatory administrative tasks necessary to implement the provisions of this act; and

2. On July 1, 2016, for all other purposes.

TEXT OF REPEALED SECTION

656A.023 “Charter school” defined. “Charter school” has the meaning ascribed to it in NRS 385.007.

Assemblyman Paul Anderson moved the adoption of the amendment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 7.

Bill read third time.

Remarks by Assemblyman Gardner.

ASSEMBLYMAN GARDNER:

Senate Bill 7 authorizes a physician to complete a certificate that accompanies an application for the emergency admission of a person alleged to be a person with a mental illness regardless of whether a psychiatrist or psychologist is available. The bill also authorizes certain other health professionals to complete such a certificate for the emergency admission or release of a person who is in a hospital emergency room. The State Board of Nursing and the Board of Examiners for Social Workers are required to adopt regulations prescribing the psychiatric training and experience necessary for the health professionals they license to meet the qualifications to make the certifications for emergency admission or release.

Lastly, the bill prohibits a person who is related by blood or marriage within the second degree of consanguinity or affinity from involvement in the involuntary commitment process.

Roll call on Senate Bill No. 7:

YEAS—35.

NAYS—Dooling, Moore, Seaman, Shelton, Wheeler—5.

EXCUSED—Edwards, Fiore—2.

Senate Bill No. 7 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Assemblyman Paul Anderson moved that the Assembly recess until 5:30 p.m.

Motion carried.

Assembly in recess at 2:30 p.m.

ASSEMBLY IN SESSION

At 6:33 p.m.

Mr. Speaker presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Education, to which was referred Senate Bill No. 76, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MELISSA WOODBURY, *Chair*

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 225, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

IRA HANSEN, *Chair*

Mr. Speaker:

Your Committee on Natural Resources, Agriculture, and Mining, to which was referred Senate Bill No. 305, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

ROBIN L. TITUS, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

WAIVER OF JOINT STANDING RULES

A Waiver requested by Senator Roberson.

For: Assembly Bill No. 177.

To Waive:

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: May 21, 2015.

SENATOR MICHAEL ROBERSON

Senate Majority Leader

ASSEMBLYMAN JOHN HAMBRICK

Speaker of the Assembly

Assemblyman Paul Anderson moved that Senate Bill No. 172 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 168 be taken from the Chief Clerk's desk and placed on the General File.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 240 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 470.

Bill read second time and ordered to third reading.

Assembly Bill No. 486.

Bill read second time.

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

Amendment No. 801.

AN ACT relating to insurance; abolishing the Insurance Examination Account; requiring fees currently paid into the Account to be paid into the Fund for Insurance Administration and Enforcement; abolishing certain fees paid into the Insurance Recovery Account; authorizing the Commissioner of Insurance to impose a fee on certain licensees if the balance of the Account is less than a certain amount at the end of a fiscal year; revising initial and annual fees paid by certain insurers; abolishing the Stabilization of Insurance Costs Account and the National Association of Insurance Commissioners Account and certain fees paid into them; repealing certain other fees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Commissioner of Insurance to examine, at least once every 5 years, the affairs, transactions, accounts, records and assets of each authorized insurer, and of any person as to any matter relevant to the financial affairs of the insurer or to the examination. (NRS 679B.230) An insurer that is examined is required to pay the cost of the examination. (NRS 679B.290) The money paid by insurers for such examinations is deposited in the Insurance Examination Account, and the money in the Account is used to pay for the expenses incurred by examiners and other representatives of the Division of Insurance of the Department of Business and Industry when examining insurers. (NRS 679B.300) **Section 1** of this bill abolishes the Account and instead requires money paid by insurers for such examinations to be deposited in the Fund for Insurance Administration and Enforcement. **Section 1** also requires the expenses for such examinations to be paid from the Fund.

Existing law requires **: (1) certain annual fees to be paid on or before March 1 of every year; and (2)** eligible surplus line insurers, fraternal benefit societies, corporations that operate a hospital, medical or dental service plan, health maintenance organizations, organizations for dental care, prepaid limited health service organizations and certain other insurers to pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300. (NRS 680C.110) **Section 4** of this bill instead requires: (1) **certain annual fees to be paid on or before the date established by regulation of the Commissioner;** (2) each insurer authorized to transact casualty insurance, health insurance, life insurance or property insurance and each title insurer, fraternal benefit society, corporation that operates a hospital, medical or dental

service plan, health maintenance organization, organization for dental care and prepaid limited health service organization to pay to the Commissioner an initial fee of \$1,000 and an annual fee determined by the Commissioner; and ~~(2)~~ **(3)** certain other insurers to pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.

Existing law creates the Insurance Recovery Account in the Fund for Insurance Administration and Enforcement and requires an applicant for the issuance or renewal of certain licenses and certificates to practice certain professions relating to insurance to pay a fee of not more than \$15 for deposit in the Insurance Recovery Account. (NRS 679B.305, 683A.251, 683A.261, 683A.271, 683C.030, 683C.035, 683C.040, 685A.120, 695J.110, 695J.140, 696A.300) **Sections 5-17** of this bill abolish the licensing fees paid into the Account. Instead, **section 2** of this bill authorizes the Commissioner to impose a fee of not more than \$10 on each producer of insurance, insurance adjuster, surplus lines broker, title agent, title insurer and escrow officer in this State if the balance of the Account is below \$40,000 at the end of any fiscal year.

Existing law requires an insurer authorized to transact casualty or property insurance to pay a fee of not more than \$500 to the Division. The fee is deposited in the Stabilization of Insurance Costs Account and used to pay the expenses of the Commissioner in carrying out certain requirements relating to the stabilization of insurance costs. (NRS 679B.450) **Section 17** repeals this fee and the Account.

Existing law requires each authorized insurer, fraternal benefit society, health maintenance organization, organization for dental care, prepaid limited health service organization and motor club to pay to the Commissioner an annual amount of not more than \$30 to cover an assessment levied upon this State by the National Association of Insurance Commissioners. The money is deposited in the National Association of Insurance Commissioners Account. (NRS 680B.070) **Section 17** repeals this annual amount and the Account.

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

Section 1. NRS 679B.300 is hereby amended to read as follows:

679B.300 1. ~~1. The Insurance Examination Account is hereby created as an account in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.~~ All money received by the Commissioner pursuant to NRS 679B.290 must be deposited in the ~~State Treasury for credit to the Account.~~ **Fund for Insurance Administration and Enforcement created by NRS 680C.100.**

2. Money for travel, per diem, compensation and other necessary and authorized expenses incurred by an examiner or other representative of the Division in the examination of any person required to pay, and making payment of, the expense of examination pursuant to NRS 679B.290 must be paid out of the **Fund for Insurance Administration and Enforcement** as other claims against the State are paid.

~~{3. Money in the Insurance Examination Account may be expended for any other purpose authorized by the Legislature.}~~

Sec. 2. NRS 679B.305 is hereby amended to read as follows:

679B.305 1. There is hereby created the Insurance Recovery Account in the Fund for Insurance Administration and Enforcement created by NRS 680C.100. ~~{The Commissioner shall promptly deposit with the State Treasurer for credit to the Account all recovery fees received from licensees pursuant to the provisions of this title.}~~

2. A balance of not ~~{more}~~ **less** than \$40,000 must be maintained in the Account to be used for satisfying claims against persons licensed pursuant to chapters 683A, 684A, 685A and 692A of NRS. ~~{Any balance over \$40,000 in the Account at the end of any fiscal year must be set aside and used by the Commissioner for insurance education and research or for any other purpose authorized by the Legislature.}~~ ***Except as otherwise provided in this subsection, if the balance in the Account is less than \$40,000 at the end of a fiscal year, the Commissioner may, during the next fiscal year, assess a fee of not more than \$10 on each person licensed pursuant to chapter 683A, 684A, 685A or 692A of NRS. The Commissioner shall deposit such fees into the Insurance Recovery Account. The Commissioner shall not assess a fee pursuant to this subsection in consecutive fiscal years.***

3. The Commissioner shall adopt reasonable regulations for ~~{the}~~ :

(a) The administration of the Account, including the manner, time, procedure and grounds for recovery against the Account ~~{;}~~ ; ***and***

(b) The assessment of a fee pursuant to subsection 2.

4. The limit of liability of the insurance recovery account is \$5,000 per fiscal year for any one licensee.

Sec. 3. NRS 679B.460 is hereby amended to read as follows:

679B.460 1. An insurer who willfully or repeatedly violates or fails to comply with a provision of NRS 679B.400 to ~~{679B.450,}~~ **679B.440**, inclusive, or 690B.260 or a regulation adopted pursuant to NRS 679B.430 is subject, after notice and a hearing held pursuant to NRS 679B.310 to 679B.370, inclusive, to payment of an administrative fine of not more than \$1,000 for each day of the violation or failure to comply, up to a maximum fine of \$50,000.

2. An insurer who fails or refuses to comply with an order issued by the Commissioner pursuant to NRS 679B.430 is subject, after notice and a hearing held pursuant to NRS 679B.310 to 679B.370, inclusive, to suspension or revocation of the insurer's certificate of authority to transact insurance in this state.

3. The imposition of an administrative fine pursuant to this section must not be considered by the Commissioner in any other administrative proceeding unless the fine has been paid or a court order for payment of the fine has become final.

Sec. 4. NRS 680C.110 is hereby amended to read as follows:

680C.110 1. In addition to any other fee or charge, the Commissioner shall collect in advance and receipt for, and persons so served must pay to the Commissioner, the fees required by this section.

2. A fee required by this section must be:

(a) If an initial fee, paid at the time of an initial application or issuance of a license, as applicable;

(b) ~~FF~~ **Except as otherwise provided in NRS 680A.180, 683A.378, 686A.380, 694C.230, 695A.080, 695B.135, 695D.150, 695H.090 and 696A.150, if** an annual fee, paid on or before ~~[March 1 of every year;]~~ **the date established by regulation of the Commissioner;**

(c) If a triennial fee, paid on or before the time of continuation, renewal or other similar action in regard to a certificate, license, permit or other type of authorization, as applicable; and

(d) Deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100.

3. The fees required pursuant to this section are not refundable.

4. The following fees must be paid by the following persons to the Commissioner:

(a) Associations of self-insured private employers, as defined in NRS 616A.050:

(1) Initial fee..... \$1,300
(2) Annual fee..... \$1,300

(b) Associations of self-insured public employers, as defined in NRS 616A.055:

(1) Initial fee..... \$1,300
(2) Annual fee..... \$1,300

(c) Independent review organizations, as provided for in NRS 616A.469 or 683A.3715, or both:

(1) Initial fee..... \$60
(2) Annual fee..... \$60

~~(d) Insurers not otherwise provided for in this subsection:~~

~~(1) Initial fee..... \$1,300
(2) Annual fee..... \$1,300~~

~~(e) Producers of insurance, as defined in NRS 679A.117:~~

~~(1) Initial fee..... \$60
(2) Triennial fee..... \$60~~

~~(f)~~ **(e)** Accredited reinsurers, as provided for in NRS 681A.160:

(1) Initial fee..... \$1,300
(2) Annual fee..... \$1,300

~~(g)~~ **(f)** Intermediaries, as defined in NRS 681A.330:

(1) Initial fee..... \$60
(2) Triennial fee..... \$60

~~(h)~~ **(g)** Reinsurers, as defined in NRS 681A.370:

(1) Initial fee..... \$1,300
(2) Annual fee..... \$1,300

~~[(i)]~~ (h) Administrators, as defined in NRS 683A.025:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(j)]~~ (i) Managing general agents, as defined in NRS 683A.060:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(k)]~~ (j) Agents who perform utilization reviews, as defined in NRS 683A.376:	
(1) Initial fee.....	\$60
(2) Annual fee.....	\$60
~~[(l)]~~ (k) Insurance consultants, as defined in NRS 683C.010:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(m)]~~ (l) Independent adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(n)]~~ (m) Public adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(o)]~~ (n) Associate adjusters, as defined in NRS 684A.030:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(p)]~~ (o) Motor vehicle physical damage appraisers, as defined in NRS 684B.010:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(q)]~~ (p) Brokers, as defined in NRS 685A.031:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(r)]~~ ~~Eligible surplus line insurers, as provided for in NRS 685A.070:~~	
<del> (1) Initial fee.....</del>	~~\$1,300~~
<del> (2) Annual fee.....</del>	~~\$1,300~~
~~[(s)]~~ (q) Companies, as defined in NRS 686A.330:	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
~~[(t)]~~ (r) Rate service organizations, as defined in NRS 686B.020:	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
~~[(u)]~~ (s) Brokers of viatical settlements, as defined in NRS 688C.030:	
(1) Initial fee.....	\$60
(2) Annual fee.....	\$60
~~[(v)]~~ (t) Providers of viatical settlements, as defined in NRS 688C.080:	

(1) Initial fee.....	\$60
(2) Annual fee.....	\$60
~~[(w)]~~ (u) Agents for prepaid burial contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(x)]~~ (v) Agents for prepaid funeral contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(y)]~~ (w) Sellers of prepaid burial contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(z)]~~ (x) Sellers of prepaid funeral contracts subject to the provisions of chapter 689 of NRS:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(aa)]~~ (y) Providers, as defined in NRS 690C.070:	
(1) Initial fee.....	\$1,300
(2) Annual fee.....	\$1,300
~~[(bb)]~~ (z) Escrow officers, as defined in NRS 692A.028:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(cc)]~~ (aa) Title agents, as defined in NRS 692A.060:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(dd)]~~ (bb) Captive insurers, as defined in NRS 694C.060:	
(1) Initial fee.....	\$250
(2) Annual fee.....	\$250
~~[(ee)]~~ Fraternal benefit societies, as defined in NRS 695A.010:	
~~— (1) Initial fee.....~~	~~\$1,300~~
~~— (2) Annual fee.....~~	~~\$1,300~~
~~— [(ff)]~~ (cc) Insurance agents for societies, as provided for in NRS 695A.330:	
(1) Initial fee.....	\$60
(2) Triennial fee.....	\$60
~~[(gg)]~~ Corporations subject to the provisions of chapter 695B of NRS:	
~~— (1) Initial fee.....~~	~~\$1,300~~
~~— (2) Annual fee.....~~	~~\$1,300~~
~~— [(hh)]~~ Health maintenance organizations, as defined in NRS 695C.030:	
~~— (1) Initial fee.....~~	~~\$1,300~~
~~— (2) Annual fee.....~~	~~\$1,300~~

- ~~(ii)~~ Organizations for dental care, as defined in NRS 695D.060:
- ~~(1)~~ Initial fee..... \$1,300
- ~~(2)~~ Annual fee..... \$1,300
- ~~(jj)~~ **(dd)** Purchasing groups, as defined in NRS 695E.100:
- (1) Initial fee..... \$250
- (2) Annual fee..... \$250
- ~~(kk)~~ **(ee)** Risk retention groups, as defined in NRS 695E.110:
- (1) Initial fee..... \$250
- (2) Annual fee..... \$250
- ~~(ll)~~ Prepaid limited health service organizations, as defined in NRS 695F.050:
- ~~(1)~~ Initial fee..... \$1,300
- ~~(2)~~ Annual fee..... \$1,300
- ~~(mm)~~ **(ff)** Medical discount plans, as defined in NRS 695H.050:
- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300
- ~~(nn)~~ **(gg)** Club agents, as defined in NRS 696A.040:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- ~~(oo)~~ **(hh)** Motor clubs, as defined in NRS 696A.050:
- (1) Initial fee..... \$1,300
- (2) Annual fee..... \$1,300
- ~~(pp)~~ **(ii)** Bail agents, as defined in NRS 697.040:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- ~~(qq)~~ **(jj)** Bail enforcement agents, as defined in NRS 697.055:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- ~~(rr)~~ **(kk)** Bail solicitors, as defined in NRS 697.060:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- ~~(ss)~~ **(ll)** General agents, as defined in NRS 697.070:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- ~~(tt)~~ **(mm)** Exchange enrollment facilitators, as defined in NRS 695J.050:
- (1) Initial fee..... \$60
- (2) Triennial fee..... \$60
- 5. An initial fee of \$1,000 must be paid to the Commissioner by each:**
- (a) Insurer who is authorized to transact casualty insurance, as defined in NRS 681A.020;**
- (b) Insurer who is authorized to transact health insurance, as defined in NRS 681A.030;**
- (c) Insurer who is authorized to transact life insurance, as defined in NRS 681A.040;**

(d) Insurer who is authorized to transact property insurance, as defined in NRS 681A.060;

(e) Title insurer, as defined in NRS 692A.070;

(f) Fraternal benefit society, as defined in NRS 695A.010;

(g) Corporation subject to the provisions of chapter 695B of NRS;

(h) Health maintenance organization, as defined in NRS 695C.030;

(i) Organization for dental care, as defined in NRS 695D.060; and

(j) Prepaid limited health service organization, as defined in NRS 695F.050.

6. An insurer who is required to pay an initial fee of \$1,000 pursuant to subsection 5 shall also pay to the Commissioner an annual fee in an amount determined by the Commissioner. When determining the amount of the annual fee, the Commissioner must consider:

(a) The direct written premiums reported to the Commissioner by the insurer during the previous year;

(b) The number of insurers who are required to pay an annual fee pursuant to this subsection;

(c) The direct written premiums reported during the previous year by all insurers paying such fees; and

(d) The budget of the Division.

7. An insurer who is not required to pay an initial or annual fee pursuant to subsection 4 or subsections 5 and 6 shall pay to the Commissioner an initial fee of \$1,300 and an annual fee of \$1,300.

Sec. 5. NRS 683A.251 is hereby amended to read as follows:

683A.251 1. The Commissioner shall prescribe the form of application by a natural person for a license as a resident producer of insurance. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his or her knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

(a) Attained the age of 18 years;

(b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license;

(c) Completed a course of study for the lines of authority for which the application is made, unless the applicant is exempt from this requirement;

*(d) Paid all applicable fees prescribed for the license, ~~and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of~~ which may **not** be refunded; and*

(e) Successfully passed the examinations for the lines of authority for which application is made, unless the applicant is exempt from this requirement.

2. A business organization must be licensed as a producer of insurance in order to act as such. Application must be made on a form prescribed by the Commissioner. Before approving the application, the Commissioner must find that the applicant has:

(a) Paid all applicable fees prescribed for the license, ~~{and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, neither of}~~ which may **not** be refunded;

(b) Designated a natural person who is licensed as a producer of insurance and who is authorized to transact business on behalf of the business organization to be responsible for the organization's compliance with the laws and regulations of this State relating to insurance; and

(c) If the business organization has authorized a producer of insurance not designated pursuant to paragraph (b) to transact business on behalf of the business organization, submitted to the Commissioner on a form prescribed by the Commissioner the name of each producer of insurance authorized to transact business on behalf of the business organization.

3. A natural person who is a resident of this State applying for a license must, as part of his or her application and at the applicant's own expense:

(a) Arrange to have a complete set of his or her fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Commissioner; and

(b) Submit to the Commissioner:

(1) A completed fingerprint card and written permission authorizing the Commissioner to submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary; or

(2) Written verification, on a form prescribed by the Commissioner, stating that the fingerprints of the applicant were taken and directly forwarded electronically or by another means to the Central Repository and that the applicant has given written permission to the law enforcement agency or other authorized entity taking the fingerprints to submit the fingerprints to the Central Repository for submission to the Federal Bureau of Investigation for a report on the applicant's background and to such other law enforcement agencies as the Commissioner deems necessary.

4. The Commissioner may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to subparagraph (2) of paragraph (b) of subsection 3, submit those fingerprints to the Central Repository for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Commissioner deems necessary;

(b) Request from each such agency any information regarding the applicant's background as the Commissioner deems necessary; and

(c) Adopt regulations concerning the procedures for obtaining this information.

5. The Commissioner may require any document reasonably necessary to verify information contained in an application.

Sec. 6. NRS 683A.261 is hereby amended to read as follows:

683A.261 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a person who has satisfied the requirements of NRS 683A.241 and 683A.251. A producer of insurance may qualify for a license in one or more of the lines of authority permitted by statute or regulation, including:

(a) Life insurance on human lives, which includes benefits from endowments and annuities and may include additional benefits from death by accident and benefits for dismemberment by accident and for disability income.

(b) Accident and health insurance for sickness, bodily injury or accidental death, which may include benefits for disability income.

(c) Property insurance for direct or consequential loss or damage to property of every kind.

(d) Casualty insurance against legal liability, including liability for death, injury or disability and damage to real or personal property. For the purposes of a producer of insurance, this line of insurance includes surety indemnifying financial institutions or providing bonds for fidelity, performance of contracts or financial guaranty.

(e) Variable annuities and variable life insurance, including coverage reflecting the results of a separate investment account.

(f) Credit insurance, including credit life, credit accident and health, credit property, credit involuntary unemployment, guaranteed asset protection, and any other form of insurance offered in connection with an extension of credit that is limited to wholly or partially extinguishing the obligation which the Commissioner determines should be considered as limited-line credit insurance.

(g) Personal lines, consisting of automobile and motorcycle insurance and residential property insurance, including coverage for flood, of personal watercraft and of excess liability, written over one or more underlying policies of automobile or residential property insurance.

(h) Fixed annuities, including, without limitation, indexed annuities, as a limited line.

(i) Travel and baggage as a limited line.

(j) Rental car agency as a limited line.

(k) Portable electronics as a limited line.

(l) Crop as a limited line.

2. A license as a producer of insurance remains in effect unless revoked, suspended or otherwise terminated if a request for a renewal is submitted on or before the date for the renewal specified on the license, all applicable fees for renewal ~~and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account~~ are paid for each license and each authorization to transact business on behalf of a business organization licensed pursuant to subsection 2 of NRS 683A.251, and any requirement for education or any other requirement to renew the license is satisfied by the date specified on the license for the renewal. A producer of insurance may submit

a request for a renewal of his or her license within 30 days after the date specified on the license for the renewal if the producer of insurance otherwise complies with the provisions of this subsection and pays, in addition to any fee paid pursuant to this subsection, a penalty of 50 percent of all applicable renewal fees, except for any fee required pursuant to NRS 680C.110. A license as a producer of insurance expires if the Commissioner receives a request for a renewal of the license more than 30 days after the date specified on the license for the renewal. A fee paid pursuant to this subsection is nonrefundable.

3. A natural person who allows his or her license as a producer of insurance to expire may reapply for the same license within 12 months after the date specified on the license for a renewal without passing a written examination or completing a course of study required by paragraph (c) of subsection 1 of NRS 683A.251, but a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110, is required for any request for a renewal of the license that is received after the date specified on the license for the renewal.

4. A licensed producer of insurance who is unable to renew his or her license because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

5. A license must state the licensee's name, address, personal identification number, the date of issuance, the lines of authority and the date of expiration and must contain any other information the Commissioner considers necessary. The license must be made available for public inspection upon request.

6. A licensee shall inform the Commissioner of each change of business or residence address, in writing or by other means acceptable to the Commissioner, within 30 days after the change. If a licensee changes his or her business or residence address without giving written notice and the Commissioner is unable to locate the licensee after diligent effort, the Commissioner may revoke the license without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the licensee at his or her last mailing address appearing on the records of the Division, and the return of the letter undelivered, constitutes a diligent effort by the Commissioner.

Sec. 7. NRS 683A.271 is hereby amended to read as follows:

683A.271 1. Unless the Commissioner refuses to issue the license under NRS 683A.451, the Commissioner shall issue a license as a producer of insurance to a nonresident person if the nonresident person:

(a) Is currently licensed as a resident and in good standing in his or her home state;

(b) Has made the proper request for licensure and paid all applicable fees prescribed for the license ; ~~and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;~~

(c) Has sent to the Commissioner the application for licensure that the nonresident person made in his or her home state, or a completed uniform application; and

(d) Has a home state which issues nonresident licenses as producers of insurance to residents of this State pursuant to substantially the same procedure.

2. The Commissioner may participate with the National Association of Insurance Commissioners or a subsidiary in a centralized registry in which licensing and appointment of producers of insurance may be effected for all states that require licensing and participate in the registry. If the Commissioner finds that participation is in the public interest, the Commissioner may adopt by regulation any uniform standards and procedures necessary for participation, including central collection of fees for licensing and appointment that are handled through the registry.

3. A nonresident producer who moves from one state to another state shall file a change of address and certification from the new state of residence within 30 days after the change of legal residence. No fee or application for license is required.

4. A nonresident licensed as a producer for surplus lines in his or her home state must be issued a nonresident license of that kind in this State pursuant to subsection 1, subject in all other respects to chapter 685A of NRS. A nonresident licensed as a producer for limited lines in his or her home state is entitled to a nonresident license of that kind in this State pursuant to subsection 1, granting the same scope of authority as the license issued in the home state. As used in this subsection, insurance for limited lines is authority granted by the home state which is restricted to less than the total authority prescribed for the associated major lines pursuant to NRS 683A.261.

Sec. 8. NRS 683C.030 is hereby amended to read as follows:

683C.030 1. An application for a license to act as an insurance consultant must be submitted to the Commissioner on forms prescribed by the Commissioner and must be accompanied by the applicable license fee set forth in NRS 680B.010 ~~[, an additional fee established by the Commissioner of not more than \$15 which must be deposited in the Insurance Recovery Account created pursuant to NRS 679B.305]~~ and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110. The license fee set forth in NRS 680B.010 ~~[and the additional fee established by the Commissioner of not more than \$15 are]~~ is not refundable. If the applicant is a natural person, the application must include the social security number of the applicant.

2. An applicant for an insurance consultant's license must successfully complete an examination and a course of instruction which the Commissioner shall establish by regulation.

3. Each license issued pursuant to this chapter is valid for 3 years from the date of issuance or until it is suspended, revoked or otherwise terminated, and

each insurance consultant must pay, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.

Sec. 9. NRS 683C.035 is hereby amended to read as follows:

683C.035 1. The Commissioner shall prescribe the form of application by a natural person for a license as an insurance consultant. The applicant must declare, under penalty of refusal to issue, or suspension or revocation of, the license, that the statements made in the application are true, correct and complete to the best of his or her knowledge and belief. Before approving the application, the Commissioner must find that the applicant has:

- (a) Attained the age of 18 years.
- (b) Not committed any act that is a ground for refusal to issue, or suspension or revocation of, a license pursuant to NRS 683A.451.
- (c) Paid all applicable fees prescribed for the license, ~~{and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, none of}~~ which may **not** be refunded.
- (d) Passed each examination required for the license and successfully completed each course of instruction which the Commissioner requires by regulation, unless the applicant is a resident of another state and holds a similar license in that state.

2. A business organization must be licensed as an insurance consultant in order to act as such. Application must be made on a form prescribed by the Commissioner. Before approving the application, the Commissioner must find that the applicant has:

- (a) Paid all applicable fees prescribed for the license, ~~{and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account, none of}~~ which may **not** be refunded; and
- (b) Designated a natural person who is licensed as an insurance consultant in this State and who is affiliated with the business organization to be responsible for the organization's compliance with the laws and regulations of this State relating to insurance.

3. The Commissioner may require any document reasonably necessary to verify information contained in an application.

4. A license issued pursuant to this chapter is valid for 3 years after the date of issuance or until it is suspended, revoked or otherwise terminated.

5. An insurance consultant may qualify for a license pursuant to this chapter in one or more of the lines of authority set forth in paragraphs (a) to (d), inclusive, of subsection 1 of NRS 683A.261.

Sec. 10. NRS 683C.040 is hereby amended to read as follows:

683C.040 1. A license may be renewed for additional 3-year periods by submitting to the Commissioner an application for renewal and:

- (a) If the application is made:
 - (1) On or before the expiration date of the license, all applicable renewal fees; ~~{and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;}~~ or

(2) Not more than 30 days after the expiration date of the license, all applicable renewal fees plus any late fee required ; ~~and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account;~~

(b) If the applicant is a natural person, the statement required pursuant to NRS 683C.043; and

(c) If the applicant is a resident, proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

2. The fees specified in this section are not refundable.

Sec. 11. NRS 685A.120 is hereby amended to read as follows:

685A.120 1. No person may act as, hold himself or herself out as or be a surplus lines broker with respect to subjects of insurance for which this State is the insured's home state unless the person is licensed as such by the Commissioner pursuant to this chapter.

2. Any person who has been licensed by this State as a producer of insurance for general lines for at least 6 months, or has been licensed in another state as a surplus lines broker and continues to be licensed in that state, and who is deemed by the Commissioner to be competent and trustworthy with respect to the handling of surplus lines may be licensed as a surplus lines broker upon:

(a) Application for a license and payment of all applicable fees for a license ; ~~and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305;~~

(b) Submitting the statement required pursuant to NRS 685A.127; and

(c) Passing any examination prescribed by the Commissioner on the subject of surplus lines.

3. An application for a license must be submitted to the Commissioner on a form designated and furnished by the Commissioner. The application must include the social security number of the applicant.

4. A license issued pursuant to this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. The license may be renewed upon submission of the statement required pursuant to NRS 685A.127 and payment of all applicable fees for renewal ~~and a fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305~~ to the Commissioner on or before the last day of the month in which the license is renewable.

5. A license which is not renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by:

(a) The statement required pursuant to NRS 685A.127;

(b) All applicable fees for renewal; **and**

(c) A penalty in an amount that is equal to 50 percent of all applicable fees for renewal, except for any fee required pursuant to NRS 680C.110 . ~~and~~

~~—(d) A fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created by NRS 679B.305.]~~

Sec. 12. NRS 695J.110 is hereby amended to read as follows:

695J.110 ~~[(1)]~~ An applicant for an initial certificate as an exchange enrollment facilitator must:

- ~~[(a)]~~ 1. Be a natural person of not less than 18 years of age;
- ~~[(b)]~~ 2. Apply on a form prescribed by the Commissioner;
- ~~[(c)]~~ 3. Pass a written examination established by the Commissioner by regulation;
- ~~[(d)]~~ 4. Successfully complete a course of instruction established by the Commissioner by regulation;
- ~~[(e)]~~ 5. Submit fingerprints as required pursuant to NRS 695J.120; and
- ~~[(f)]~~ 6. Pay the nonrefundable:

~~[(1)] (a)~~ Application and certificate fee set forth in NRS 680B.010; **and**

~~[(2)] (b)~~ Initial fee set forth in NRS 680C.110 . ~~]; and~~

~~—(3) Additional fee of not more than \$15 for the processing of the application established pursuant to NRS 695J.270.~~

~~—2. The additional fee for the processing of applications pursuant to subparagraph (3) of paragraph (f) of subsection 1 must be deposited in the Insurance Recovery Account created pursuant to NRS 679B.305.]~~

Sec. 13. NRS 695J.140 is hereby amended to read as follows:

695J.140 1. A certificate may be renewed for an additional 3-year period by submitting to the Commissioner an application for renewal and:

(a) If the application is made:

(1) On or before the expiration date of the certificate, all applicable renewal fees ; ~~and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created pursuant to NRS 679B.305;]~~ or

(2) Except as otherwise provided in subsection 3:

(I) Not more than 30 days after the expiration date of the certificate, all applicable renewal fees plus any late fee required ; ~~and an additional fee established by the Commissioner of not more than \$15 for deposit in the Insurance Recovery Account created pursuant to NRS 679B.305;]~~ or

(II) More than 30 days but not more than 1 year after the expiration date of the certificate, all applicable renewal fees plus a penalty of twice all applicable renewal fees, except for any fee required pursuant to NRS 680C.110.

(b) Proof of the successful completion of appropriate courses of study required for renewal, as established by the Commissioner by regulation.

2. The fees specified in this section are not refundable.

3. An exchange enrollment facilitator who is unable to renew his or her certificate because of military service, extended medical disability or other extenuating circumstance may request a waiver of the time limit and of any fine or sanction otherwise required or imposed because of the failure to renew.

Sec. 14. NRS 695J.270 is hereby amended to read as follows:

695J.270 1. The Commissioner shall adopt regulations:

(a) For establishing and conducting an examination required by this chapter for the initial issuance and renewal of a certificate;

(b) For the establishment of a course of instruction as required by this chapter for the initial issuance and renewal of a certificate;

(c) ~~Establishing the fee required by NRS 695J.110 for the processing of an application;~~

~~—(d) Establishing the fee required by NRS 695J.130 for the administration of the examination; and~~

~~—(e)~~ (d) For carrying out the provisions of this chapter.

2. The Commissioner may contract with a person to perform functions required by this chapter, including, without limitation:

(a) Administering examinations;

(b) Providing courses of instruction;

(c) Processing applications; and

(d) Collecting fees.

Sec. 15. NRS 696A.300 is hereby amended to read as follows:

696A.300 1. Each license for a club agent issued under this chapter continues in force for 3 years unless it is suspended, revoked or otherwise terminated. A license may be renewed upon submission of the statement required pursuant to NRS 696A.303 and payment to the Commissioner of all applicable fees for renewal . ~~and a fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305.~~ The statement must be submitted and the fees must be paid on or before the last day of the month in which the license is renewable.

2. Any license not so renewed expires at midnight on the last day specified for its renewal. The Commissioner may accept a request for renewal received by the Commissioner within 30 days after the expiration of the license if the request is accompanied by the statement required pursuant to NRS 696A.303, a fee for renewal of 150 percent of all applicable fees otherwise required, except for any fee required pursuant to NRS 680C.110 . ~~and the fee established by the Commissioner of not more than \$15 for deposit in the insurance recovery account created by NRS 679B.305.~~

3. In addition to all applicable fees required pursuant to NRS 680C.110 to be deposited in the Fund for Insurance Administration and Enforcement created by NRS 680C.100, the Commissioner shall collect in advance and deposit with the State Treasurer for credit to the State General Fund the following fees for licensure as a club agent:

(a) Application and license..... \$78

(b) Appointment by each motor club 5

(c) Triennial renewal of each license 78

Sec. 16. Any money remaining in the Stabilization of Insurance Costs Account created by 679B.450 or the National Association of Insurance Commissioners Account created by NRS 680B.070 on July 1, 2015, remains in the Fund for Insurance Administration and Enforcement created by

NRS 680C.100 and may be used for any other purpose for which any money in the Fund may be used.

Sec. 17. NRS 679B.450, 680B.070, 684A.160 and 692A.104 are hereby repealed.

Sec. 18. This act becomes effective on July 1, 2015.

LEADLINES OF REPEALED SECTIONS

679B.450 Fee for administration and enforcement; cost of report; schedule of fees; Stabilization of Insurance Costs Account.

680B.070 Assessment for National Association of Insurance Commissioners.

684A.160 Fee for adjuster's license.

692A.104 Fee for issuance or renewal of license as title agent or escrow officer.

Assemblywoman Carlton moved the adoption of the amendment.

Remarks by Assemblywoman Carlton.

ASSEMBLYWOMAN CARLTON:

As amended, this abolishes the Insurance Examination Account and requires fees paid by insurers for examinations to be deposited in the Fund for Insurance Administration and Enforcement. This bill also reduces the initial licensing fee from \$1,300 to \$1,000 and revises the annual license fee from \$1,300 to a fee determined by the Commissioner of Insurance for most insurer types.

This bill also abolishes the licensing fees paid into the Insurance Recovery Account and authorizes the Commissioner of Insurance to impose a fee of not more than \$10 on certain licenses if the balance of the Insurance Recovery Account is below \$40,000 at the end of a fiscal year.

Lastly, this bill abolishes the Stabilization of Insurance Cost Account and the National Association of Insurance Commissioners Account and their associated fees. This bill becomes effective on July 1, 2015.

This is one of the final steps in taking our Division of Insurance into a total enterprise fund and allowing them to realign their accounts to do their jobs the best way they can.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 58.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 741.

SUMMARY—Revises provisions governing the release of information relating to children . ~~within the jurisdiction of the juvenile court.~~
(BDR 5-490)

AN ACT relating to children; revising provisions concerning the release of certain information relating to a child subject to the jurisdiction of the juvenile court; **revising provisions concerning the release of certain information relating to child welfare services;** providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes directors of juvenile services and the Chief of the Youth Parole Bureau, or his or her designee, to release, upon written request and good cause shown, certain information concerning a child who is within the purview of the juvenile court to certain other persons involved in the juvenile justice system. (NRS 62H.025) ~~[This]~~ **Section 1 of this bill** specifies that juvenile justice information is confidential and may only be released under certain circumstances. ~~[This bill]~~ **Section 1** also revises: (1) the information that may be released; (2) the list of persons to whom the information may be released; and (3) the circumstances under which the information may be released. ~~[This bill]~~ **Section 1** further eliminates the requirement that a request for such information be in writing and revises from 3 days to 5 business days the period in which a denial of a request for the release of the information must be made to the person who requested the information. Finally, ~~[this bill]~~ **section 1** makes it a gross misdemeanor for certain persons to disseminate or make public juvenile justice information.

Existing law makes it a gross misdemeanor for certain persons to disseminate or make public information relating to child welfare services. (NRS 432B.290) Section 1.5 of this bill revises the list of persons who may disseminate or make public such information and the circumstances under which the information may be released.

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

Section 1. NRS 62H.025 is hereby amended to read as follows:

62H.025 1. Juvenile justice information ~~[must be maintained in accordance with federal law, and any provision of federal law authorizing the release of juvenile justice information must be construed as broadly as possible in favor of the release of juvenile justice information.]~~ ***is confidential and may only be released in accordance with the provisions of this section or as expressly authorized by other federal or state law.***

2. For the purpose of ensuring the safety, permanent placement, rehabilitation, educational success and well-being of a child ~~[.]~~ ***or the safety of the public,*** a ~~[director of]~~ juvenile ~~[services or the Chief of the Youth Parole Bureau, or his or her designee.]~~ ***justice agency*** may ~~[, upon written request and good cause shown, share appropriate]~~ ***release*** juvenile justice information ~~[with:]~~ ***to:***

- (a) A director of juvenile services or his or her designee;
- (b) The Chief of the Youth Parole Bureau or his or her designee;
- (c) A district attorney or his or her designee;
- (d) An attorney representing the child;
- (e) The director of a state agency which administers juvenile justice or his or her designee;
- (f) A director of a state, regional or local facility for the detention of children or his or her designee;

(g) The director of an agency which provides child welfare services or his or her designee;

(h) A guardian ad litem or court appointed special advocate who represents the child;

(i) A parent or guardian of the child ; ~~{if the release of the information to the parent or guardian is consistent with the purposes of this section; or}~~

(j) The child to whom the juvenile justice information pertains if the child has reached the age of majority ~~{}~~, **or a person who presents a release that is signed by the child who has reached the age of majority and which specifies the juvenile justice information to be released and the purpose for the release;**

(k) **A school district, if the juvenile justice agency and the school district have entered into a written agreement to share juvenile justice information for a purpose consistent with the purposes of this section;**

(l) **A person or organization who has entered into a written agreement with the juvenile justice agency to provide assessments or juvenile justice services;**

(m) **A person engaged in bona fide research that may be used to improve juvenile justice services or secure additional funding for juvenile justice services if the juvenile justice information is provided in the aggregate and without any personal identifying information; or**

(n) **A person who is authorized by a court order to receive the juvenile justice information, if the juvenile justice agency was provided with notice and opportunity to be heard before the issuance of the order.**

3. ~~{A written request for juvenile justice information pursuant to subsection 2 may be made only for the purpose of determining the appropriate placement of the child pursuant to the provisions of chapter 432B of NRS, the appropriate treatment or services to be provided to the child or the appropriate conditions of probation or parole to be imposed on the child. The written request must state the reason that the juvenile justice information is requested. A written}~~ **A juvenile justice agency may deny a request for juvenile justice information {may be refused} if:**

(a) The request does not, **in accordance with the purposes of this section,** demonstrate good cause for the release of the information; or

(b) The release of the information would cause material harm to the child or would prejudice any court proceeding to which the child is subject.

↪ A ~~{refusal}~~ **denial** pursuant to this subsection must be made in writing to the person ~~for entity~~ requesting the information not later than ~~{3}~~ **5 business** days after receipt of the request. ~~{, excluding Saturdays, Sundays and holidays.}~~

~~—4. Any juvenile justice information provided pursuant to this section is confidential, must be provided only to those persons listed in subsection 2 and must be maintained in accordance with any applicable laws and regulations.~~

~~—5.}~~ **4.** Any juvenile justice information provided pursuant to this section may not be used to deny a child access to any service for which the child would otherwise be eligible, including, without limitation:

- (a) Educational services;
- (b) Social services;
- (c) Mental health services;
- (d) Medical services; or
- (e) Legal services.

~~16. A director of juvenile services or the Chief of the Youth Parole Bureau, or his or her designee, may release juvenile justice information:~~

~~—(a) In the aggregate and without personal identifying information included, to a person engaged in bona fide research that may be used to improve juvenile justice services or secure additional funding for juvenile justice services.~~

~~—(b) As deemed necessary by a legislative body of this State or a local government in this State to conduct an audit or proper oversight of any department, agency or office providing services related to juvenile justice.~~

~~7.] 5. Any Except as otherwise provided in this subsection, any person ~~except for:~~ who is provided with juvenile justice information pursuant to this section and who further disseminates the information or makes the information public is guilty of a gross misdemeanor. This subsection does not apply to:~~

~~(a) A district attorney who uses the information solely for the purpose of initiating legal proceedings; or~~

~~(b) A person or organization described in subsection 2 who provides a report concerning juvenile justice information to a court or other party pursuant to this title or chapter 432B of NRS ~~if~~~~

~~who is provided with juvenile justice information pursuant to this section and who further disseminates the information or makes the information public, is guilty of a gross misdemeanor.]~~

6. As used in this section ~~["juvenile"]~~:

(a) *"Juvenile justice agency" means the Youth Parole Bureau or a director of juvenile services.*

(b) *"Juvenile justice information" means any information ~~maintained by a director of juvenile services or the Chief of the Youth Parole Bureau, or his or her designee,~~ which is directly related to a child in need of supervision, a delinquent child or any other child who is otherwise subject to the jurisdiction of the juvenile court.*

Sec. 1.5. NRS 432B.290 is hereby amended to read as follows:

432B.290 1. Information maintained by an agency which provides child welfare services must be maintained by the agency which provides child welfare services as required by federal law as a condition of the allocation of federal money to this State.

2. Except as otherwise provided in this section and NRS 432B.165, 432B.175 and 432B.513, information maintained by an agency which provides child welfare services may, at the discretion of the agency which provides child welfare services, be made available only to:

(a) A physician, if the physician has before him or her a child who the physician has reasonable cause to believe has been abused or neglected;

(b) A person authorized to place a child in protective custody, if the person has before him or her a child who the person has reasonable cause to believe has been abused or neglected and the person requires the information to determine whether to place the child in protective custody;

(c) An agency, including, without limitation, an agency in another jurisdiction, responsible for or authorized to undertake the care, treatment or supervision of:

(1) The child; or

(2) The person responsible for the welfare of the child;

(d) A district attorney or other law enforcement officer who requires the information in connection with an investigation or prosecution of the abuse or neglect of a child;

(e) Except as otherwise provided in paragraph (f), a court other than a juvenile court, for in camera inspection only, unless the court determines that public disclosure of the information is necessary for the determination of an issue before it;

(f) A court as defined in NRS 159.015 to determine whether a guardian or successor guardian of a child should be appointed pursuant to chapter 159 of NRS or NRS 432B.466 to 432B.468, inclusive;

(g) A person engaged in bona fide research or an audit, but information identifying the subjects of a report must not be made available to the person;

(h) The attorney and the guardian ad litem of the child, if the information is reasonably necessary to promote the safety, permanency and well-being of the child;

(i) A person who files or intends to file a petition for the appointment of a guardian or successor guardian of a child pursuant to chapter 159 of NRS or NRS 432B.466 to 432B.468, inclusive, if the identity of the person responsible for reporting the abuse or neglect of the child to a public agency is kept confidential and the information is reasonably necessary to promote the safety, permanency and well-being of the child;

(j) The proposed guardian or proposed successor guardian of a child over whom a guardianship is sought pursuant to chapter 159 of NRS or NRS 432B.466 to 432B.468, inclusive, if the identity of the person responsible for reporting the abuse or neglect of the child to a public agency is kept confidential and the information is reasonably necessary to promote the safety, permanency and well-being of the child;

(k) A grand jury upon its determination that access to these records and the information is necessary in the conduct of its official business;

(l) A federal, state or local governmental entity, or an agency of such an entity, or a juvenile court, that needs access to the information to carry out its legal responsibilities to protect children from abuse and neglect;

(m) A person or an organization that has entered into a written agreement with an agency which provides child welfare services to provide assessments or services and that has been trained to make such assessments or provide such services;

(n) A team organized pursuant to NRS 432B.350 for the protection of a child;

(o) A team organized pursuant to NRS 432B.405 to review the death of a child;

(p) A parent or legal guardian of the child and an attorney of a parent or guardian of the child, including, without limitation, the parent or guardian of a child over whom a guardianship is sought pursuant to chapter 159 of NRS or NRS 432B.466 to 432B.468, inclusive, if the identity of the person responsible for reporting the abuse or neglect of the child to a public agency is kept confidential and the information is reasonably necessary to promote the safety, permanency and well-being of the child and is limited to information concerning that parent or guardian;

(q) The child over whom a guardianship is sought pursuant to chapter 159 of NRS or NRS 432B.466 to 432B.468, inclusive, if:

(1) The child is 14 years of age or older; and

(2) The identity of the person responsible for reporting the abuse or neglect of the child to a public agency is kept confidential and the information is reasonably necessary to promote the safety, permanency and well-being of the child;

(r) The persons or agent of the persons who are the subject of a report, if the information is reasonably necessary to promote the safety, permanency and well-being of the child and is limited to information concerning those persons;

(s) An agency that is authorized by law to license foster homes or facilities for children or to investigate persons applying for approval to adopt a child, if the agency has before it an application for that license or is investigating an applicant to adopt a child;

(t) Upon written consent of the parent, any officer of this State or a city or county thereof or Legislator authorized by the agency or department having jurisdiction or by the Legislature, acting within its jurisdiction, to investigate the activities or programs of an agency which provides child welfare services if:

(1) The identity of the person making the report is kept confidential; and

(2) The officer, Legislator or a member of the family of the officer or Legislator is not the person alleged to have committed the abuse or neglect;

(u) The Division of Parole and Probation of the Department of Public Safety for use pursuant to NRS 176.135 in making a presentence investigation and report to the district court or pursuant to NRS 176.151 in making a general investigation and report;

(v) Any person who is required pursuant to NRS 432B.220 to make a report to an agency which provides child welfare services or to a law enforcement agency;

(w) The Rural Advisory Board to Expedite Proceedings for the Placement of Children created pursuant to NRS 432B.602 or a local advisory board to expedite proceedings for the placement of children created pursuant to NRS 432B.604;

(x) The panel established pursuant to NRS 432B.396 to evaluate agencies which provide child welfare services;

(y) An employer in accordance with subsection 3 of NRS 432.100;

(z) A team organized or sponsored pursuant to NRS 217.475 or 228.495 to review the death of the victim of a crime that constitutes domestic violence; or

(aa) The Committee to Review Suicide Fatalities created by NRS 439.5104.

3. An agency investigating a report of the abuse or neglect of a child shall, upon request, provide to a person named in the report as allegedly causing the abuse or neglect of the child:

(a) A copy of:

(1) Any statement made in writing to an investigator for the agency by the person named in the report as allegedly causing the abuse or neglect of the child; or

(2) Any recording made by the agency of any statement made orally to an investigator for the agency by the person named in the report as allegedly causing the abuse or neglect of the child; or

(b) A written summary of the allegations made against the person who is named in the report as allegedly causing the abuse or neglect of the child. The summary must not identify the person responsible for reporting the alleged abuse or neglect or any collateral sources and reporting parties.

4. Except as otherwise provided by subsection 6, before releasing any information maintained by an agency which provides child welfare services pursuant to this section, an agency which provides child welfare services shall take whatever precautions it determines are reasonably necessary to protect the identity and safety of any person who reports child abuse or neglect and to protect any other person if the agency which provides child welfare services reasonably believes that disclosure of the information would cause a specific and material harm to an investigation of the alleged abuse or neglect of a child or the life or safety of any person.

5. The provisions of this section must not be construed to require an agency which provides child welfare services to disclose information maintained by the agency which provides child welfare services if, after consultation with the attorney who represents the agency, the agency determines that such disclosure would cause a specific and material harm to a criminal investigation.

6. A person who is the subject of an unsubstantiated report of child abuse or neglect made pursuant to this chapter and who believes that the report was made in bad faith or with malicious intent may petition a district court to order the agency which provides child welfare services to release information maintained by the agency which provides child welfare services. The petition must specifically set forth the reasons supporting the belief that the report was made in bad faith or with malicious intent. The petitioner shall provide notice to the agency which provides child welfare services so that the agency may participate in the action through its counsel. The district court shall review the information which the petitioner requests to be released and the petitioner shall

be allowed to present evidence in support of the petition. If the court determines that there is a reasonable question of fact as to whether the report was made in bad faith or with malicious intent and that the disclosure of the identity of the person who made the report would not be likely to endanger the life or safety of the person who made the report, the court shall provide a copy of the information to the petitioner and the original information is subject to discovery in a subsequent civil action regarding the making of the report.

7. If an agency which provides child welfare services receives any information that is deemed confidential by law, the agency which provides child welfare services shall maintain the confidentiality of the information as prescribed by applicable law.

8. Pursuant to this section, a person may authorize the release of information maintained by an agency which provides child welfare services about himself or herself, but may not waive the confidentiality of such information concerning any other person.

9. An agency which provides child welfare services may provide a summary of the outcome of an investigation of the alleged abuse or neglect of a child to the person who reported the suspected abuse or neglect.

10. ~~[Any]~~ **Except as otherwise provided in this subsection, any person, except for, who is provided with information maintained by an agency which provides child welfare services and who further disseminates the information or makes the information public is guilty of a gross misdemeanor. This subsection does not apply to:**

(a) A district attorney or other law enforcement officer **who uses the information solely for the purpose of** initiating legal proceedings ~~; or~~

(b) An employee of the Division of Parole and Probation of the Department of Public Safety making a presentence investigation and report to the district court pursuant to NRS 176.135 or making a general investigation and report pursuant to NRS 176.151 ~~;~~

~~who is provided with information maintained by an agency which provides child welfare services and further disseminates this information, or who makes this information public, is guilty of a gross misdemeanor.] ; or~~

(c) An employee of a juvenile justice agency who provides the information to the juvenile court.

11. An agency which provides child welfare services may charge a fee for processing costs reasonably necessary to prepare information maintained by the agency which provides child welfare services for release pursuant to this section.

12. An agency which provides child welfare services shall adopt rules, policies or regulations to carry out the provisions of this section.

13. As used in this section, "juvenile justice agency" means the Youth Parole Bureau or a director of juvenile services.

Sec. 2. (Deleted by amendment.)

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

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment revises provisions governing the release of information relating to children within the jurisdiction of the juvenile court.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 68.

Bill read second time.

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

Amendment No. 756.

AN ACT relating to professions; authorizing certain qualified professionals who hold a license in the District of Columbia or another state or territory of the United States to apply for the issuance of an expedited license by endorsement to practice in this State; revising provisions relating to certain limited licenses to practice medicine as a resident physician; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1.3, 1.5, 6.3, 6.4, 6.7, 7, 8.5, 11, 13.1, 14, 18, 19, 25, 28, 32, 35, 36, 41, 45 and 50-54 of this bill authorize certain qualified physicians, podiatrists, other providers of health care and professionals to obtain an expedited license by endorsement to practice their respective professions in this State if the physician, podiatrist, other provider of health care or professional holds a valid and unrestricted license to practice in the District of Columbia or another state or territory of the United States and meets certain other requirements. Specifically, an expedited license by endorsement may be obtained from the Board of Medical Examiners, the State Board of Nursing, the State Board of Osteopathic Medicine, the State Board of Podiatry, **the State Board of Optometry**, the Board of Examiners for Audiology and Speech Pathology, the State Board of Pharmacy, the State Board of Physical Therapy Examiners, the Board of Occupational Therapy, the Board of Massage Therapists, the Board of Psychological Examiners, the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, the Board of Examiners for Social Workers and the Board of Examiners for Alcohol, Drug and Gambling Counselors. **Sections 1.3 and 8.5** require a physician or osteopathic physician to be certified in a specialty recognized by the American Board of Medical Specialties or the American Osteopathic Association, as applicable, to obtain such an expedited license by endorsement.

Existing law authorizes the Board of Medical Examiners and the State Board of Osteopathic Medicine to issue a limited license to practice medicine as a resident physician to an applicant who meets certain requirements. (NRS 630.265, 633.401) **Sections 5 and 9** of this bill require, with limited

exceptions, the Board of Medical Examiners and the State Board of Osteopathic Medicine to issue those limited licenses.

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

Section 1. Chapter 630 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.5 of this act:

Sec. 1.3. 1. *Except as otherwise provided in NRS 630.161, the Board may issue a license by endorsement to practice medicine to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:*

(a) Holds a corresponding valid and unrestricted license to practice medicine in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties.

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined ~~for investigation~~ and is not currently under investigation by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice medicine; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 630.167;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. *Not later than 15 business days after receiving an application for a license by endorsement to practice medicine pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice medicine to the applicant not later than:*

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement to practice medicine may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 1.5. 1. The Board may issue a license by endorsement to practice as a physician assistant to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license to practice as a physician assistant in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a physician assistant; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 630.167;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a physician assistant pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a physician assistant to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement to practice as a physician assistant may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 2. NRS 630.160 is hereby amended to read as follows:

630.160 1. Every person desiring to practice medicine must, before beginning to practice, procure from the Board a license authorizing the person to practice.

2. Except as otherwise provided in NRS 630.1605, 630.161 and 630.258 to 630.266, inclusive, **and section 1.3 of this act**, a license may be issued to any person who:

(a) Is a citizen of the United States or is lawfully entitled to remain and work in the United States;

(b) Has received the degree of doctor of medicine from a medical school:

(1) Approved by the Liaison Committee on Medical Education of the American Medical Association and Association of American Medical Colleges; or

(2) Which provides a course of professional instruction equivalent to that provided in medical schools in the United States approved by the Liaison Committee on Medical Education;

(c) Is currently certified by a specialty board of the American Board of Medical Specialties and who agrees to maintain the certification for the duration of the licensure, or has passed:

(1) All parts of the examination given by the National Board of Medical Examiners;

(2) All parts of the Federation Licensing Examination;

(3) All parts of the United States Medical Licensing Examination;

(4) All parts of a licensing examination given by any state or territory of the United States, if the applicant is certified by a specialty board of the American Board of Medical Specialties;

(5) All parts of the examination to become a licentiate of the Medical Council of Canada; or

(6) Any combination of the examinations specified in subparagraphs (1), (2) and (3) that the Board determines to be sufficient;

(d) Is currently certified by a specialty board of the American Board of Medical Specialties in the specialty of emergency medicine, preventive medicine or family practice and who agrees to maintain certification in at least one of these specialties for the duration of the licensure, or:

(1) Has completed 36 months of progressive postgraduate:

(I) Education as a resident in the United States or Canada in a program approved by the Board, the Accreditation Council for Graduate Medical Education, ~~for the Coordinating Council of Medical Education of the Canadian Medical Association;~~ **Royal College of Physicians and Surgeons of Canada, the College des medecins du Quebec, the College of Family Physicians of Canada or, as applicable, their successor organizations;** or

(II) Fellowship training in the United States or Canada approved by the Board or the Accreditation Council for Graduate Medical Education;

(2) Has completed at least 36 months of postgraduate education, not less than 24 months of which must have been completed as a resident after

receiving a medical degree from a combined dental and medical degree program approved by the Board; or

(3) Is a resident who is enrolled in a progressive postgraduate training program in the United States or Canada approved by the Board, the Accreditation Council for Graduate Medical Education, ~~for the [Coordinating Council of Medical Education of the Canadian Medical Association,]~~ **Royal College of Physicians and Surgeons of Canada, the College des medecins du Quebec, the College of Family Physicians of Canada or, as applicable, their successor organizations**, has completed at least 24 months of the program and has committed, in writing, to the Board that he or she will complete the program; and

(e) Passes a written or oral examination, or both, as to his or her qualifications to practice medicine and provides the Board with a description of the clinical program completed demonstrating that the applicant's clinical training met the requirements of paragraph (b).

3. The Board may issue a license to practice medicine after the Board verifies, through any readily available source, that the applicant has complied with the provisions of subsection 2. The verification may include, but is not limited to, using the Federation Credentials Verification Service. If any information is verified by a source other than the primary source of the information, the Board may require subsequent verification of the information by the primary source of the information.

4. Notwithstanding any provision of this chapter to the contrary, if, after issuing a license to practice medicine, the Board obtains information from a primary or other source of information and that information differs from the information provided by the applicant or otherwise received by the Board, the Board may:

- (a) Temporarily suspend the license;
- (b) Promptly review the differing information with the Board as a whole or in a committee appointed by the Board;
- (c) Declare the license void if the Board or a committee appointed by the Board determines that the information submitted by the applicant was false, fraudulent or intended to deceive the Board;
- (d) Refer the applicant to the Attorney General for possible criminal prosecution pursuant to NRS 630.400; or
- (e) If the Board temporarily suspends the license, allow the license to return to active status subject to any terms and conditions specified by the Board, including:

(1) Placing the licensee on probation for a specified period with specified conditions;

(2) Administering a public reprimand;

(3) Limiting the practice of the licensee;

(4) Suspending the license for a specified period or until further order of the Board;

- (5) Requiring the licensee to participate in a program to correct alcohol or drug dependence or any other impairment;
- (6) Requiring supervision of the practice of the licensee;
- (7) Imposing an administrative fine not to exceed \$5,000;
- (8) Requiring the licensee to perform community service without compensation;
- (9) Requiring the licensee to take a physical or mental examination or an examination testing his or her competence to practice medicine;
- (10) Requiring the licensee to complete any training or educational requirements specified by the Board; and
- (11) Requiring the licensee to submit a corrected application, including the payment of all appropriate fees and costs incident to submitting an application.

5. If the Board determines after reviewing the differing information to allow the license to remain in active status, the action of the Board is not a disciplinary action and must not be reported to any national database. If the Board determines after reviewing the differing information to declare the license void, its action shall be deemed a disciplinary action and shall be reportable to national databases.

Sec. 3. NRS 630.165 is hereby amended to read as follows:

630.165 1. Except as otherwise provided in subsection 2, an applicant for a license to practice medicine must submit to the Board, on a form provided by the Board, an application in writing, accompanied by an affidavit stating that:

- (a) The applicant is the person named in the proof of graduation and that it was obtained without fraud or misrepresentation or any mistake of which the applicant is aware; and
- (b) The information contained in the application and any accompanying material is complete and correct.

2. An applicant for a license by endorsement to practice medicine pursuant to NRS 630.1605 **or section 1.3 of this act** must submit to the Board, on a form provided by the Board, an application in writing, accompanied by an affidavit stating that:

- (a) The applicant is the person named in the license to practice medicine issued by the District of Columbia or any state or territory of the United States and that the license was obtained without fraud or misrepresentation or any mistake of which the applicant is aware; and
- (b) The information contained in the application and any accompanying material is complete and correct.

3. An application submitted pursuant to subsection 1 or 2 must include all information required to complete the application.

4. In addition to the other requirements for licensure, the Board may require such further evidence of the mental, physical, medical or other qualifications of the applicant as it considers necessary.

5. The applicant bears the burden of proving and documenting his or her qualifications for licensure.

Sec. 3.5. NRS 630.195 is hereby amended to read as follows:

630.195 1. ~~It is~~ **Except as otherwise provided in section 1.3 of this act,** in addition to the other requirements for licensure, an applicant for a license to practice medicine who is a graduate of a foreign medical school shall submit to the Board proof that the applicant has received:

(a) The degree of doctor of medicine or its equivalent, as determined by the Board; and

(b) The standard certificate of the Educational Commission for Foreign Medical Graduates or a written statement from that Commission that the applicant passed the examination given by the Commission.

2. The proof of the degree of doctor of medicine or its equivalent must be submitted directly to the Board by the medical school that granted the degree. If proof of the degree is unavailable from the medical school that granted the degree, the Board may accept proof from any other source specified by the Board.

Sec. 4. NRS 630.258 is hereby amended to read as follows:

630.258 1. A physician who is retired from active practice and who:

(a) Wishes to donate his or her expertise for the medical care and treatment of persons in this State who are indigent, uninsured or unable to afford health care; or

(b) Wishes to provide services for any disaster relief operations conducted by a governmental entity or nonprofit organization,

↪ may obtain a special volunteer medical license by submitting an application to the Board pursuant to this section.

2. An application for a special volunteer medical license must be on a form provided by the Board and must include:

(a) Documentation of the history of medical practice of the physician;

(b) Proof that the physician previously has been issued an unrestricted license to practice medicine in any state of the United States and that the physician has never been the subject of disciplinary action by a medical board in any jurisdiction;

(c) Proof that the physician satisfies the requirements for licensure set forth in NRS 630.160 or the requirements for licensure by endorsement set forth in NRS 630.1605 ~~or~~ **or section 1.3 of this act;**

(d) Acknowledgment that the practice of the physician under the special volunteer medical license will be exclusively devoted to providing medical care:

(1) To persons in this State who are indigent, uninsured or unable to afford health care; or

(2) As part of any disaster relief operations conducted by a governmental entity or nonprofit organization; and

(e) Acknowledgment that the physician will not receive any payment or compensation, either direct or indirect, or have the expectation of any payment

or compensation, for providing medical care under the special volunteer medical license, except for payment by a medical facility at which the physician provides volunteer medical services of the expenses of the physician for necessary travel, continuing education, malpractice insurance or fees of the State Board of Pharmacy.

3. If the Board finds that the application of a physician satisfies the requirements of subsection 2 and that the retired physician is competent to practice medicine, the Board shall issue a special volunteer medical license to the physician.

4. The initial special volunteer medical license issued pursuant to this section expires 1 year after the date of issuance. The license may be renewed pursuant to this section, and any license that is renewed expires 2 years after the date of issuance.

5. The Board shall not charge a fee for:

- (a) The review of an application for a special volunteer medical license; or
- (b) The issuance or renewal of a special volunteer medical license pursuant to this section.

6. A physician who is issued a special volunteer medical license pursuant to this section and who accepts the privilege of practicing medicine in this State pursuant to the provisions of the special volunteer medical license is subject to all the provisions governing disciplinary action set forth in this chapter.

7. A physician who is issued a special volunteer medical license pursuant to this section shall comply with the requirements for continuing education adopted by the Board.

Sec. 5. NRS 630.265 is hereby amended to read as follows:

630.265 1. ~~Except as otherwise provided in~~ **Unless the Board denies such licensure pursuant to NRS 630.161 ~~or~~ or for other good cause,** the Board ~~may~~ **shall** issue to a qualified applicant a limited license to practice medicine as a resident physician in a graduate program approved by the Accreditation Council for Graduate Medical Education if the applicant is:

(a) A graduate of an accredited medical school in the United States or Canada; or

(b) A graduate of a foreign medical school and has received the standard certificate of the Educational Commission for Foreign Medical Graduates or a written statement from that Commission that the applicant passed the examination given by it.

2. The medical school or other institution sponsoring the program shall provide the Board with written confirmation that the applicant has been appointed to a position in the program and is a citizen of the United States or lawfully entitled to remain and work in the United States. A limited license remains valid only while the licensee is actively practicing medicine in the residency program and is legally entitled to work and remain in the United States.

3. The Board may issue a limited license for not more than 1 year but may renew the license if the applicant for the limited license meets the requirements set forth by the Board by regulation.

4. The holder of a limited license may practice medicine only in connection with his or her duties as a resident physician or under such conditions as are approved by the director of the program.

5. The holder of a limited license granted pursuant to this section may be disciplined by the Board at any time for any of the grounds provided in NRS 630.161 or 630.301 to 630.3065, inclusive.

Sec. 6. NRS 630.268 is hereby amended to read as follows:

630.268 1. The Board shall charge and collect not more than the following fees:

For application for and issuance of a license to practice as a physician, including a license by endorsement	\$600
For application for and issuance of a temporary, locum tenens, limited, restricted, authorized facility, special, special purpose or special event license	400
For renewal of a limited, restricted, authorized facility or special license	400
For application for and issuance of a license as a physician assistant , including a license by endorsement	400
For biennial registration of a physician assistant.....	800
For biennial registration of a physician	800
For application for and issuance of a license as a perfusionist or practitioner of respiratory care.....	400
For biennial renewal of a license as a perfusionist.....	600
For biennial registration of a practitioner of respiratory care	600
For biennial registration for a physician who is on inactive status	400
For written verification of licensure	50
For a duplicate identification card.....	25
For a duplicate license.....	50
For computer printouts or labels.....	500
For verification of a listing of physicians, per hour.....	20
For furnishing a list of new physicians.....	100

2. ~~1.1~~ **Except as otherwise provided in subsection 4, in** addition to the fees prescribed in subsection 1, the Board shall charge and collect necessary and reasonable fees for the expedited processing of a request or for any other incidental service the Board provides.

3. The cost of any special meeting called at the request of a licensee, an institution, an organization, a state agency or an applicant for licensure must be paid for by the person or entity requesting the special meeting. Such a special meeting must not be called until the person or entity requesting it has

paid a cash deposit with the Board sufficient to defray all expenses of the meeting.

4. *If an applicant submits an application for a license by endorsement pursuant to section 1.3 or 1.5 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1 for the application for and initial issuance of a license.*

Sec. 6.1. NRS 630.275 is hereby amended to read as follows:

630.275 The Board shall adopt regulations regarding the licensure of a physician assistant, including, but not limited to:

1. The educational and other qualifications of applicants.
2. The required academic program for applicants.
3. The procedures for applications for and the issuance of licenses.

4. *The procedures deemed necessary by the Board for applications for and the initial issuance of licenses by endorsement pursuant to section 1.5 of this act.*

5. The tests or examinations of applicants by the Board.

~~{5.}~~ **6.** The medical services which a physician assistant may perform, except that a physician assistant may not perform those specific functions and duties delegated or restricted by law to persons licensed as dentists, chiropractors, podiatric physicians and optometrists under chapters 631, 634, 635 and 636, respectively, of NRS, or as hearing aid specialists.

~~{6.}~~ **7.** The duration, renewal and termination of licenses ~~{7.}~~ **including licenses by endorsement.**

8. The grounds and procedures respecting disciplinary actions against physician assistants.

~~{8.}~~ **9.** The supervision of medical services of a physician assistant by a supervising physician, including, without limitation, supervision that is performed electronically, telephonically or by fiber optics from within or outside this State or the United States.

~~{9.}~~ **10.** A physician assistant's use of equipment that transfers information concerning the medical condition of a patient in this State electronically, telephonically or by fiber optics from within or outside this State or the United States.

Sec. 6.2. Chapter 632 of NRS is hereby amended by adding thereto the provisions set forth as sections 6.3 and 6.4 of this act.

Sec. 6.3. 1. *Except as otherwise provided in NRS 632.3405, the Board may issue a license by endorsement to practice as a professional nurse to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice as a professional nurse in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

- (1) Satisfies the requirements of subsection 1;
- (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;
- (3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a professional nurse; and
- (4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~
- (b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 632.344;
- (c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and
- (d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a professional nurse pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a professional nurse to the applicant not later than:

- (a) Forty-five days after receiving the application; or
 - (b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
- ↪ whichever occurs later.

4. A license by endorsement to practice as a professional nurse may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 6.4. 1. Except as otherwise provided in NRS 632.3405, the Board may issue a license by endorsement to practice as a practical nurse to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice as a practical nurse in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

- (a) Proof satisfactory to the Board that the applicant:
 - (1) Satisfies the requirements of subsection 1;
 - (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;
 - (3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a practical nurse; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 632.344;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a practical nurse pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a practical nurse to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement to practice as a practical nurse may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 6.5. NRS 632.140 is hereby amended to read as follows:

632.140 *Except as otherwise provided in section 6.3 of this act:*

1. Every applicant for a license to practice as a professional nurse in the State of Nevada must submit to the Board written evidence under oath that the applicant:

(a) Is of good moral character.

(b) Is in good physical and mental health.

(c) Has completed a course of study in:

(1) An accredited school of professional nursing and holds a diploma therefrom; or

(2) An approved school of professional nursing in the process of obtaining accreditation and holds a diploma therefrom.

(d) Meets such other reasonable preliminary qualification requirements as the Board may from time to time prescribe.

2. Each applicant must remit the fee required by this chapter with the application for a license to practice as a professional nurse in this State.

Sec. 6.6. NRS 632.150 is hereby amended to read as follows:

632.150 *1. ~~Each~~ Except as otherwise provided in NRS 632.160, 632.237 and section 6.3 of this act, each* applicant who is otherwise qualified for a license to practice nursing as a professional nurse shall be required to write and pass an examination on such subjects and in such form as the Board may from time to time determine. Such written examination may be

supplemented by an oral or practical examination in the discretion of the Board.

2. The Board shall issue a license to practice nursing as a professional nurse in the State of Nevada to each applicant who successfully passes such examination or examinations.

Sec. 6.7. NRS 632.237 is hereby amended to read as follows:

632.237 1. The Board may issue a license to practice as an advanced practice registered nurse to a registered nurse : ~~who:~~

(a) ***Who is licensed by endorsement pursuant to section 6.3 of this act and holds a corresponding valid and unrestricted license to practice as an advanced practice registered nurse in the District of Columbia or any other state or territory of the United States; or***

(b) ***Who:***

(1) Has completed an educational program designed to prepare a registered nurse to:

~~1)~~ (I) Perform designated acts of medical diagnosis;

~~2)~~ (II) Prescribe therapeutic or corrective measures; and

~~3)~~ (III) Prescribe controlled substances, poisons, dangerous drugs and devices;

~~4)~~ (2) Except as otherwise provided in subsection 5, submits proof that he or she is certified as an advanced practice registered nurse by the American Board of Nursing Specialties, the National Commission for Certifying Agencies of the Institute for Credentialing Excellence, or their successor organizations, or any other nationally recognized certification agency approved by the Board; and

~~5)~~ (3) Meets any other requirements established by the Board for such licensure.

2. An advanced practice registered nurse may:

(a) Engage in selected medical diagnosis and treatment; and

(b) If authorized pursuant to NRS 639.2351 and subject to the limitations set forth in subsection 3, prescribe controlled substances, poisons, dangerous drugs and devices.

➔ An advanced practice registered nurse shall not engage in any diagnosis, treatment or other conduct which the advanced practice registered nurse is not qualified to perform.

3. An advanced practice registered nurse who is authorized to prescribe controlled substances, poisons, dangerous drugs and devices pursuant to NRS 639.2351 shall not prescribe a controlled substance listed in schedule II unless:

(a) The advanced practice registered nurse has at least 2 years or 2,000 hours of clinical experience; or

(b) The controlled substance is prescribed pursuant to a protocol approved by a collaborating physician.

4. An advanced practice registered nurse may perform the acts described in subsection 2 by using equipment that transfers information concerning the

medical condition of a patient in this State electronically, telephonically or by fiber optics from within or outside this State or the United States.

5. The Board shall adopt regulations:

(a) Specifying any additional training, education and experience necessary for licensure as an advanced practice registered nurse.

(b) Delineating the authorized scope of practice of an advanced practice registered nurse.

(c) Establishing the procedure for application for licensure as an advanced practice registered nurse.

6. The provisions of **subparagraph (2) of** paragraph (b) of subsection 1 do not apply to an advanced practice registered nurse who obtains a license before July 1, 2014.

Sec. 6.8. NRS 632.270 is hereby amended to read as follows:

632.270 ~~Each~~ **Except as otherwise provided in section 6.4 of this act,** **each** applicant for a license to practice as a practical nurse must submit to the Board written evidence, under oath, that the applicant:

1. Is of good moral character.

2. Has a high school diploma or its equivalent as determined by the State Board of Education.

3. Is at least 18 years of age.

4. Has:

(a) Successfully completed the prescribed course of study in an accredited school of practical nursing or an accredited school of professional nursing, and been awarded a diploma by the school;

(b) Successfully completed the prescribed course of study in an approved school of practical nursing in the process of obtaining accreditation or an approved school of professional nursing in the process of obtaining accreditation, and been awarded a diploma by the school; or

(c) Been registered or licensed as a registered nurse under the laws of another jurisdiction.

5. Meets any other qualifications prescribed in regulations of the Board.

Sec. 6.9. NRS 632.345 is hereby amended to read as follows:

632.345 1. The Board shall establish and may amend a schedule of fees and charges for the following items and within the following ranges:

	Not less than	Not more than
Application for license to practice professional nursing (registered nurse) , including a license by endorsement	\$45	\$100
Application for license to practice practical nursing , including a license by endorsement	30	90
Application for temporary license to practice professional nursing or		

practical nursing pursuant to NRS 632.300, which fee must be credited toward the fee required for a regular license, if the applicant applies for a license	15	50
Application for a certificate to practice as a nursing assistant or medication aide - certified	15	50
Application for a temporary certificate to practice as a nursing assistant pursuant to NRS 632.300, which fee must be credited toward the fee required for a regular certificate, if the applicant applies for a certificate	5	40
Biennial fee for renewal of a license	40	100
Biennial fee for renewal of a certificate	20	50
Fee for reinstatement of a license	10	100
Application for a license to practice as an advanced practice registered nurse , <i>including a license by endorsement</i>	50	200
Application for recognition as a certified registered nurse anesthetist.....	50	200
Biennial fee for renewal of a license to practice as an advanced practice registered nurse or certified registered nurse anesthetist	50	200
Examination fee for license to practice professional nursing	20	100
Examination fee for license to practice practical nursing.....	10	90
Rewriting examination for license to practice professional nursing.....	20	100
Rewriting examination for license to practice practical nursing	10	90
Duplicate license	5	30
Duplicate certificate	5	30
Proctoring examination for candidate from another state	25	150
Fee for approving one course of continuing education	10	50
Fee for reviewing one course of continuing education which has been changed since approval	5	30
Annual fee for approval of all courses of continuing education offered.....	100	500

Annual fee for review of training program.....	60	100
Certification examination.....	10	90
Approval of instructors of training programs	50	100
Approval of proctors for certification examinations	20	50
Approval of training programs	150	250
Validation of licensure or certification.....	5	25

2. The Board may collect the fees and charges established pursuant to this section, and those fees or charges must not be refunded.

Sec. 7. Chapter 633 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice as a physician assistant to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license to practice as a physician assistant in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties ~~or~~ or the American Osteopathic Association.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined ~~for investigation~~ and is not currently under investigation by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a physician assistant; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States ~~; more than once~~;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 633.309;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The application and initial license fee specified in this chapter; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a physician assistant pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall

approve the application and issue a license by endorsement to practice as a physician assistant to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, whichever occurs later.

4. A license by endorsement to practice as a physician assistant may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 7.5. NRS 633.305 is hereby amended to read as follows:

633.305 *Except as otherwise provided in section 7 of this act and NRS 633.400:*

1. Every applicant for a license shall:

(a) File an application with the Board in the manner prescribed by regulations of the Board;

(b) Submit verified proof satisfactory to the Board that the applicant meets any age, citizenship and educational requirements prescribed by this chapter; and

(c) Pay in advance to the Board the application and initial license fee specified in NRS 633.501.

2. An application filed with the Board pursuant to subsection 1 must include all information required to complete the application.

3. The Board may hold hearings and conduct investigations into any matter related to the application and, in addition to the proofs required by subsection 1, may take such further evidence and require such other documents or proof of qualifications as it deems proper.

4. The Board may reject an application if the Board has cause to believe that any credential or information submitted by the applicant is false, misleading, deceptive or fraudulent.

Sec. 8. NRS 633.311 is hereby amended to read as follows:

633.311 Except as otherwise provided in NRS 633.315 ~~and~~ **and 633.381 to 633.419, inclusive**, an applicant for a license to practice osteopathic medicine may be issued a license by the Board if:

1. The applicant is 21 years of age or older;

2. The applicant is a citizen of the United States or is lawfully entitled to remain and work in the United States;

3. The applicant is a graduate of a school of osteopathic medicine;

4. The applicant:

(a) Has graduated from a school of osteopathic medicine before 1995 and has completed:

(1) A hospital internship; or

(2) One year of postgraduate training that complies with the standards of intern training established by the American Osteopathic Association;

(b) Has completed 3 years, or such other length of time as required by a specific program, of postgraduate medical education as a resident in the United States or Canada in a program approved by the Board, the Bureau of Professional Education of the American Osteopathic Association or the Accreditation Council for Graduate Medical Education; or

(c) Is a resident who is enrolled in a postgraduate training program in this State, has completed 24 months of the program and has committed, in writing, that he or she will complete the program;

5. The applicant applies for the license as provided by law;

6. The applicant passes:

(a) All parts of the licensing examination of the National Board of Osteopathic Medical Examiners;

(b) All parts of the licensing examination of the Federation of State Medical Boards ; ~~of the United States, Inc.;~~

(c) All parts of the licensing examination of the Board, a state, territory or possession of the United States, or the District of Columbia, and is certified by a specialty board of the American Osteopathic Association or by the American Board of Medical Specialties; or

(d) A combination of the parts of the licensing examinations specified in paragraphs (a), (b) and (c) that is approved by the Board;

7. The applicant pays the fees provided for in this chapter; and

8. The applicant submits all information required to complete an application for a license.

Sec. 8.5. NRS 633.400 is hereby amended to read as follows:

633.400 1. Except as otherwise provided in NRS 633.315, the Board shall, except for good cause, issue a license by endorsement to a person who has been issued a license to practice osteopathic medicine by the District of Columbia or any state or territory of the United States if:

(a) At the time the person files an application with the Board, the license is in effect and unrestricted; and

(b) The applicant:

(1) Is currently certified by either a specialty board of the American Board of Medical Specialties or a specialty board of the American Osteopathic Association, or was certified or recertified within the past 10 years;

(2) Has had no adverse actions reported to the National Practitioner Data Bank within the past 5 years;

(3) Has been continuously and actively engaged in the practice of osteopathic medicine within his or her specialty for the past 5 years;

(4) Is not involved in and does not have pending any disciplinary action concerning a license to practice osteopathic medicine in the District of Columbia or any state or territory of the United States;

(5) Provides information on all the medical malpractice claims brought against him or her, without regard to when the claims were filed or how the claims were resolved; and

(6) Meets all statutory requirements to obtain a license to practice osteopathic medicine in this State except that the applicant is not required to meet the requirements set forth in NRS 633.311.

2. Any person applying for a license **by endorsement** pursuant to this section shall ~~pay in~~ **submit**:

(a) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 633.309;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) In advance to the Board the application and initial license fee specified in this chapter ~~[-]~~ ; and

(d) Any other information required by the Board.

3. *Not later than 15 business days after receiving an application for a license by endorsement pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to the applicant not later than:*

(a) Forty-five days after receiving the application; or

*(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
↪ whichever occurs later.*

4. A license by endorsement may be issued at a meeting of the Board or between its meetings by its President and Executive Director. Such action shall be deemed to be an action of the Board.

Sec. 9. NRS 633.401 is hereby amended to read as follows:

633.401 1. ~~{Except as otherwise provided in}~~ **Unless the Board denies such licensure pursuant to NRS 633.315 ~~[-]~~ or for other good cause,** the Board ~~may~~ **shall** issue a special license to practice osteopathic medicine:

(a) To authorize a person who is licensed to practice osteopathic medicine in an adjoining state to come into Nevada to care for or assist in the treatment of his or her patients in association with an osteopathic physician in this State who has primary care of the patients.

(b) To a resident while the resident is enrolled in a postgraduate training program required pursuant to the provisions of paragraph (c) of subsection 4 of NRS 633.311.

(c) Other than a license issued pursuant to NRS 633.419, for a specified period and for specified purposes to a person who is licensed to practice osteopathic medicine in another jurisdiction.

2. For the purpose of paragraph (c) of subsection 1, the osteopathic physician must:

(a) Hold a full and unrestricted license to practice osteopathic medicine in another state;

(b) Not have had any disciplinary or other action taken against him or her by any state or other jurisdiction; and

(c) Be certified by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association or their successors.

3. A special license issued under this section may be renewed by the Board upon application of the licensee.

4. Every person who applies for or renews a special license under this section shall pay respectively the special license fee or special license renewal fee specified in this chapter.

Sec. 10. (Deleted by amendment.)

Sec. 10.5. NRS 633.434 is hereby amended to read as follows:

633.434 The Board shall adopt regulations regarding the licensure of a physician assistant, including, without limitation:

1. The educational and other qualifications of applicants.
2. The required academic program for applicants.
3. The procedures for applications for and the issuance of licenses.

4. ***The procedures deemed necessary by the Board for applications for and the issuance of initial licenses by endorsement pursuant to section 7 of this act.***

5. The tests or examinations of applicants by the Board.

~~{5-}~~ 6. The medical services which a physician assistant may perform, except that a physician assistant may not perform osteopathic manipulative therapy or those specific functions and duties delegated or restricted by law to persons licensed as dentists, chiropractors, doctors of Oriental medicine, podiatric physicians, optometrists and hearing aid specialists under chapters 631, 634, 634A, 635, 636 and 637A, respectively, of NRS.

~~{6-}~~ 7. The grounds and procedures respecting disciplinary actions against physician assistants.

~~{7-}~~ 8. The supervision of medical services of a physician assistant by a supervising osteopathic physician.

Sec. 11. Chapter 635 of NRS is hereby amended by adding thereto a new section to read as follows:

1. ***Except as otherwise provided in NRS 635.073, the Board may issue a license by endorsement to practice podiatry to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice podiatry in the District of Columbia or any state or territory of the United States.***

2. ***An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:***

(a) ***Proof satisfactory to the Board that the applicant:***

- (1) ***Satisfies the requirements of subsection 1;***
- (2) ***Is a citizen of the United States or otherwise has the legal right to work in the United States;***
- (3) ***Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice podiatry; and***

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) A fee in the amount of the fee for an application for a license required pursuant to paragraph (a) of subsection 3 of NRS 635.050; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice podiatry pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice podiatry to the applicant not later than ~~45~~ :

(a) Forty-five days after receiving the application ~~45~~ ; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement to practice podiatry may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 12. NRS 635.050 is hereby amended to read as follows:

635.050 1. Any person wishing to practice podiatry in this State must, before beginning to practice, procure from the Board a license to practice podiatry.

2. ~~{A}~~ *Except as otherwise provided in section 11 of this act, a license to practice podiatry may be issued by the Board to any person who:*

(a) Is of good moral character.

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States.

(c) Has received the degree of D.P.M., Doctor of Podiatric Medicine, from an accredited school of podiatry.

(d) Has completed a residency approved by the Board.

(e) Has passed the examination given by the National Board of Podiatric Medical Examiners.

(f) Has not committed any act described in subsection 2 of NRS 635.130. For the purposes of this paragraph, an affidavit signed by the applicant stating that the applicant has not committed any act described in subsection 2 of NRS 635.130 constitutes satisfactory proof.

3. An applicant for a license to practice podiatry must submit to the Board or a committee thereof pursuant to such regulations as the Board may adopt:

*(a) The fee for an application for a license , **including a license by endorsement**, of not more than \$600;*

(b) Proof satisfactory to the Board that the requirements of subsection 2 have been met; and

(c) All other information required by the Board to complete an application for a license.

➡ The Board shall, by regulation, establish the fee required to be paid pursuant to this subsection.

4. The Board may reject an application if it appears that the applicant's credentials are fraudulent or the applicant has practiced podiatry without a license or committed any act described in subsection 2 of NRS 635.130.

5. The Board may require such further documentation or proof of qualification as it may deem proper.

6. The provisions of this section do not apply to a person who applies for:

(a) A limited license to practice podiatry pursuant to NRS 635.075; or

(b) A provisional license to practice podiatry pursuant to NRS 635.082.

Sec. 13. NRS 635.065 is hereby amended to read as follows:

635.065 1. In addition to the other requirements for licensure set forth in this chapter, an applicant for a license to practice podiatry in this State who has been licensed to practice podiatry in another state or the District of Columbia must submit:

(a) An affidavit signed by the applicant that:

(1) Identifies each jurisdiction in which the applicant has been licensed to practice; and

(2) States whether a disciplinary proceeding has ever been instituted against the applicant by the licensing board of that jurisdiction and, if so, the status of the proceeding; and

(b) If the applicant is currently licensed to practice podiatry in another state or the District of Columbia, a certificate from the licensing board of that jurisdiction stating that the applicant is in good standing and no disciplinary proceedings are pending against the applicant.

2. ~~The~~ **Except as otherwise provided in section 11 of this act, the** Board may require an applicant who has been licensed to practice podiatry in another state or the District of Columbia to:

(a) Pass an examination prescribed by the Board concerning the provisions of this chapter and any regulations adopted pursuant thereto; or

(b) Submit satisfactory proof that:

(1) The applicant maintained an active practice in another state or the District of Columbia within the 5 years immediately preceding the application;

(2) No disciplinary proceeding has ever been instituted against the applicant by a licensing board in any jurisdiction in which he or she is licensed to practice podiatry; and

(3) The applicant has participated in a program of continuing education that is equivalent to the program of continuing education that is required pursuant to NRS 635.115 for podiatric physicians licensed in this State.

Sec. 13.1. Chapter 636 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to engage in the practice of optometry to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to engage in the practice of optometry in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has had no adverse actions reported to the National Practitioner Data Bank within the past 5 years;

(4) Has been continuously and actively engaged in the practice of optometry for the past 5 years;

(5) Has not been disciplined and is not currently under investigation by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to engage in the practice of optometry; and

(6) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to engage in the practice of optometry pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to engage in the practice of optometry to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to engage in the practice of optometry may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 13.3. NRS 636.143 is hereby amended to read as follows:

636.143 The Board shall establish within the limits prescribed a schedule of fees for the following purposes:

	Not less than	Not more than
Examination	\$100	\$500
Reexamination.....	100	500

Issuance of each license or duplicate license, <u>including a license by endorsement</u>	35	75
Renewal of each license or duplicate license.....	100	500
Issuance of a license for an extended clinical facility.....	100	500
Issuance of a replacement renewal card for a license	10	50

Sec. 13.5. NRS 636.150 is hereby amended to read as follows:

636.150 ~~Any~~ **Except as otherwise provided in section 13.1 of this act,**

any person applying for a license to practice optometry in this State must:

1. File proof of his or her qualifications;
2. Make application for an examination;
3. Take and pass the examination;
4. Pay the prescribed fees; and
5. Verify that all the information he or she has provided to the Board or to any other entity pursuant to the provisions of this chapter is true and correct.

Sec. 13.7. NRS 636.155 is hereby amended to read as follows:

636.155 ~~Any~~ **Except as otherwise provided in section 13.1 of this act, an**

applicant must file with the Executive Director satisfactory proof that the applicant:

1. Is at least 21 years of age;
2. Is a citizen of the United States or is lawfully entitled to reside and work in this country;
3. Is of good moral character;
4. Has been certified or recertified as completing a course of cardiopulmonary resuscitation within the 12-month period immediately preceding the examination for licensure; and
5. Has graduated from a school of optometry accredited by the established professional agency and the Board, maintaining a standard of 6 college years, and including, as a prerequisite to admission to the courses in optometry, at least 2 academic years of study in a college of arts and sciences accredited by the Association of American Universities or a similar regional accrediting agency.

Sec. 13.9. NRS 636.215 is hereby amended to read as follows:

636.215 The Board shall execute a license for each person who has satisfied the requirements of NRS 636.150 **or section 13.1 of this act** and submitted all information required to complete an application for a license. A license must:

1. Certify that the licensee has been examined and found qualified to practice optometry in this State; and
2. Be signed by each member of the Board.

Sec. 14. Chapter 637B of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to engage in the practice of audiology or speech pathology to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to engage in the practice of audiology or speech pathology, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to engage in the practice of audiology or speech pathology, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to engage in the practice of audiology or speech pathology pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to engage in the practice of audiology or speech pathology, as applicable, to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to engage in the practice of audiology or speech pathology may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 15. NRS 637B.160 is hereby amended to read as follows:

637B.160 1. ~~1. An~~ Except as otherwise provided in section 14 of this act, an applicant for a license to engage in the practice of audiology or speech pathology must be issued a license by the Board if the applicant:

(a) Is over the age of 21 years;

(b) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;

(c) Is of good moral character;

(d) Meets the requirements for education or training and experience provided by subsection 2;

(e) Has completed at least 300 clock hours of supervised clinical experience in audiology or speech pathology, or both;

(f) Applies for the license in the manner provided by the Board;

(g) Passes any examination required by this chapter;

(h) Pays the fees provided for in this chapter; and

(i) Submits all information required to complete an application for a license.

2. An applicant must possess a master's degree in audiology or in speech pathology from an accredited educational institution or possess equivalent training and experience. If an applicant seeks to qualify on the basis of equivalent training and experience, the applicant must submit to the Board satisfactory evidence that he or she has obtained at least 60 semester credits, or equivalent quarter credits, in courses related to the normal development, function and use of speech and language or hearing, including, but not limited to, the management of disorders of speech or hearing and the legal, professional and ethical practices of audiology or speech pathology. At least 24 of the 60 credits, excluding any credits obtained for a thesis or dissertation, must have been obtained for courses directly relating to audiology or speech pathology.

Sec. 16. NRS 637B.230 is hereby amended to read as follows:

637B.230 1. The Board shall charge and collect only the following fees whose amounts must be determined by the Board, but may not exceed:

Application fee for a license to practice speech pathology , including a license by endorsement	\$100
Application fee for a license to practice audiology , including a license by endorsement	100
Annual fee for the renewal of a license	50
Reinstatement fee	75

2. All fees are payable in advance and may not be refunded.

Sec. 17. Chapter 639 of NRS is hereby amended by adding thereto the provisions set forth as sections 18 and 19 of this act.

Sec. 18. 1. *The Board may issue a certificate by endorsement as a registered pharmacist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as a registered pharmacist in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a registered pharmacist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as a registered pharmacist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a registered pharmacist to the applicant not later than 45 days after receiving the application.

4. A certificate by endorsement as a registered pharmacist may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 19. 1. The Board may issue a license by endorsement to conduct a pharmacy to an applicant who is a natural person and who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to conduct a pharmacy in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to conduct a pharmacy; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to conduct a pharmacy pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the

Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to conduct a pharmacy to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to conduct a pharmacy may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 20. NRS 639.015 is hereby amended to read as follows:

639.015 “Registered pharmacist” means:

1. A person registered in this State as such on July 1, 1947;
2. A person registered in this State as such in compliance with the provisions of paragraph (c) of section 3 of chapter 195, Statutes of Nevada 1951; or
3. A person who has complied with the provisions of NRS 639.120 , **639.134 or section 18 of this act** and whose name has been entered in the registry of pharmacists of this State by the Executive Secretary of the Board and to whom a valid certificate **or certificate by endorsement** as a registered pharmacist or valid renewal thereof has been issued by the Board.

Sec. 21. NRS 639.120 is hereby amended to read as follows:

639.120 1. ~~{A-}~~ **Except as otherwise provided in NRS 639.134 and section 18 of this act, an** applicant to become a registered pharmacist in this State must:

- (a) Be of good moral character.
- (b) Be a graduate of a college of pharmacy or department of pharmacy of a university accredited by the Accreditation Council for Pharmacy Education or Canadian Council for Accreditation of Pharmacy Programs and approved by the Board or a graduate of a foreign school who has passed an examination for foreign graduates approved by the Board to demonstrate that his or her education is equivalent.
- (c) Except as otherwise provided in NRS 622.090:
 - (1) Pass an examination approved and given by the Board with a grade of at least 75 on the examination as a whole and a grade of at least 75 on the examination on law.
 - (2) If he or she is an applicant for registration by reciprocity, pass the examination on law with at least a grade of 75.
 - (d) Complete not less than 1,500 hours of practical pharmaceutical experience as an intern pharmacist under the direct and immediate supervision of a registered pharmacist.

2. The practical pharmaceutical experience required pursuant to paragraph (d) of subsection 1 must relate primarily to the selling of drugs, poisons and devices, the compounding and dispensing of prescriptions, preparing prescriptions and keeping records and preparing reports required by state and federal statutes.

3. The Board may accept evidence of compliance with the requirements set forth in paragraph (d) of subsection 1 from boards of pharmacy of other

states in which the experience requirement is equivalent to the requirements in this State.

Sec. 22. NRS 639.127 is hereby amended to read as follows:

639.127 1. An applicant for registration as a pharmacist in this State must submit an application to the Executive Secretary of the Board on a form furnished by the Board and must pay the fee fixed by the Board. The fee must be paid at the time the application is submitted and is compensation to the Board for the investigation and the examination of the applicant. Under no circumstances may the fee be refunded.

2. Proof of the qualifications of any applicant must be made to the satisfaction of the Board and must be substantiated by affidavits, records or such other evidence as the Board may require.

3. An application is only valid for 1 year after the date it is received by the Board unless the Board extends its period of validity.

4. A certificate of registration as a pharmacist must be issued to each person who the Board determines is qualified pursuant to the provisions of NRS 639.120 and 639.134 ~~and~~ **and section 18 of this act**. The certificate entitles the person to whom it is issued to practice pharmacy in this State.

Sec. 23. NRS 639.170 is hereby amended to read as follows:

639.170 1. The Board shall charge and collect not more than the following fees for the following services:

For the examination of an applicant for registration as a pharmacist	Actual cost of the examination
For the investigation or registration of an applicant as a registered pharmacist , including a certificate by endorsement	\$200
For the investigation, examination or registration of an applicant as a registered pharmacist by reciprocity.....	300
For the investigation or issuance of an original license to conduct a retail pharmacy , including a license by endorsement	600
For the biennial renewal of a license to conduct a retail pharmacy.....	500
For the investigation or issuance of an original license to conduct an institutional pharmacy , including a license by endorsement	600
For the biennial renewal of a license to conduct an institutional pharmacy.....	500
For the issuance of an original or duplicate certificate of registration as a registered pharmacist , including a certificate by endorsement	50

For the biennial renewal of registration as a registered pharmacist	200
For the reinstatement of a lapsed registration (in addition to the fees for renewal for the period of lapse).....	100
For the initial registration of a pharmaceutical technician or pharmaceutical technician in training	50
For the biennial renewal of registration of a pharmaceutical technician or pharmaceutical technician in training.....	50
For the investigation or registration of an intern pharmacist	50
For the biennial renewal of registration as an intern pharmacist	40
For investigation or issuance of an original license to a manufacturer or wholesaler	500
For the biennial renewal of a license for a manufacturer or wholesaler.....	500
For the reissuance of a license issued to a pharmacy, when no change of ownership is involved, but the license must be reissued because of a change in the information required thereon.....	100
For authorization of a practitioner to dispense controlled substances or dangerous drugs, or both.....	300
For the biennial renewal of authorization of a practitioner to dispense controlled substances or dangerous drugs, or both	300

2. If an applicant submits an application for a certificate of registration or license by endorsement pursuant to section 18 or 19 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1, respectively, for:

(a) The initial registration and issuance of an original certificate of registration as a registered pharmacist.

(b) The issuance of an original license to conduct a retail or an institutional pharmacy.

3. If a person requests a special service from the Board or requests the Board to convene a special meeting, the person must pay the actual costs to the Board as a condition precedent to the rendition of the special service or the convening of the special meeting.

~~{3.}~~ **4.** All fees are payable in advance and are not refundable.

~~{4.}~~ **5.** The Board may, by regulation, set the penalty for failure to pay the fee for renewal for any license, permit, authorization or certificate within the statutory period, at an amount not to exceed 100 percent of the fee for renewal

for each year of delinquency in addition to the fees for renewal for each year of delinquency.

Sec. 24. NRS 639.231 is hereby amended to read as follows:

639.231 1. An application to conduct a pharmacy must be made on a form furnished by the Board and must state the name, address, usual occupation and professional qualifications, if any, of the applicant. If the applicant is other than a natural person, the application must state such information as to each person beneficially interested therein.

2. As used in subsection 1, and subject to the provisions of subsection 3, the term "person beneficially interested" means:

(a) If the applicant is a partnership or other unincorporated association, each partner or member.

(b) If the applicant is a corporation, each of its officers, directors and stockholders, provided that no natural person shall be deemed to be beneficially interested in a nonprofit corporation.

3. If the applicant is a partnership, unincorporated association or corporation and the number of partners, members or stockholders, as the case may be, exceeds four, the application must so state, and must list each of the four partners, members or stockholders who own the four largest interests in the applicant entity and state their percentages of interest. Upon request of the Executive Secretary of the Board, the applicant shall furnish the Board with information as to partners, members or stockholders not named in the application or shall refer the Board to an appropriate source of such information.

4. The completed application form must be returned to the Board with the fee prescribed by the Board, which may not be refunded. ~~Any~~ **Except as otherwise provided in section 19 of this act, any** application which is not complete as required by the provisions of this section may not be presented to the Board for consideration.

5. ~~Upon~~ **Except as otherwise provided in section 19 of this act, upon** compliance with all the provisions of this section and upon approval of the application by the Board, the Executive Secretary shall issue a license to the applicant to conduct a pharmacy. Any other provision of law notwithstanding, such a license authorizes the holder to conduct a pharmacy and to sell and dispense drugs and poisons and devices and appliances that are restricted by federal law to sale by or on the order of a physician.

Sec. 25. Chapter 640 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement as a physical therapist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a physical therapist in the District of Columbia or any state or territory of the United States.

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a physical therapist; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~*

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 640.090;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(d) *A fee in the amount of the fee set by a regulation of the Board pursuant to subsection 3 of NRS 640.090 for an application for a license; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement as a physical therapist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a physical therapist to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, whichever occurs later.*

4. *A license by endorsement as a physical therapist may be issued at a meeting of the Board or between its meetings by the Chair of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 26. NRS 640.080 is hereby amended to read as follows:

640.080 ~~{Tø}~~ *Except as otherwise provided in section 25 of this act, to be eligible for licensure by the Board as a physical therapist, an applicant must:*

1. *Be of good moral character;*

2. *Have graduated from a school in which he or she completed a curriculum of physical therapy approved by the Board; and*

3. *Pass to the satisfaction of the Board an examination designated by the Board, unless he or she is entitled to licensure without examination as provided in NRS 640.120 or 640.140.*

Sec. 27. NRS 640.090 is hereby amended to read as follows:

640.090 Unless he or she is entitled to licensure under NRS 640.120 or 640.140, **or section 25 of this act**, a person who desires to be licensed as a physical therapist must:

1. Apply to the Board, in writing, on a form furnished by the Board;
2. Include in the application evidence, under oath, satisfactory to the Board, that the person possesses the qualifications required by NRS 640.080 other than having passed the examination;
3. Pay to the Board at the time of filing the application a fee set by a regulation of the Board in an amount not to exceed \$300;
4. Submit to the Board with the application a complete set of fingerprints which the Board may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
5. Submit other documentation and proof the Board may require; and
6. Submit all other information required to complete the application.

Sec. 28. Chapter 640A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement as an occupational therapist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as an occupational therapist in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

- (1) Satisfies the requirements of subsection 1;**
- (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;**
- (3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as an occupational therapist; and**
- (4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~**

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) A fee in the amount of the fee set by a regulation of the Board pursuant to NRS 640A.190 for the initial issuance of a license; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as an occupational therapist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the

application and issue a license by endorsement as an occupational therapist to the applicant not later than 45 days after receiving the application.

4. A license by endorsement as an occupational therapist may be issued at a meeting of the Board or between its meetings by the Chair of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 29. NRS 640A.120 is hereby amended to read as follows:

640A.120 ~~1. Except as otherwise provided in section 28 of this act, to~~ be eligible for licensing by the Board as an occupational therapist or occupational therapy assistant, an applicant must:

1. Be a natural person of good moral character.
2. Except as otherwise provided in NRS 640A.130, have satisfied the academic requirements of an educational program approved by the Board. The Board shall not approve an educational program designed to qualify a person to practice as an occupational therapist or an occupational therapy assistant unless the program is accredited by the Accreditation Council for Occupational Therapy Education of the American Occupational Therapy Association, Inc., or its successor organization.

3. Except as otherwise provided in NRS 640A.130, have successfully completed:

- (a) If the application is for licensing as an occupational therapist, 24 weeks;

or

- (b) If the application is for licensing as an occupational therapy assistant, 16 weeks,

↪ of supervised fieldwork experience approved by the Board. The Board shall not approve any supervised experience unless the experience was sponsored by the American Occupational Therapy Association, Inc., or its successor organization, or the educational institution at which the applicant satisfied the requirements of subsection 2.

4. Except as otherwise provided in NRS 640A.160 and 640A.170, pass an examination approved by the Board.

Sec. 30. NRS 640A.140 is hereby amended to read as follows:

640A.140 1. ~~1. Except as otherwise provided in section 28 of this act,~~ a person who desires to be licensed by the Board as an occupational therapist or occupational therapy assistant must:

- (a) Submit an application to the Board on a form furnished by the Board;

and

- (b) Provide evidence satisfactory to the Board that he or she possesses the qualifications required pursuant to subsections 1, 2 and 3 of NRS 640A.120.

2. The application must include all information required to complete the application.

Sec. 31. NRS 640A.190 is hereby amended to read as follows:

640A.190 1. The Board may by regulation establish reasonable fees for:

- (a) The examination of an applicant for a license;
 - (b) The initial issuance of a license ~~1.1~~ , **including a license by endorsement;**

- (c) The issuance of a temporary license;
- (d) The renewal of a license; and
- (e) The late renewal of a license.

2. The fees must be set in such an amount as to reimburse the Board for the cost of carrying out the provisions of this chapter.

Sec. 32. Chapter 640C of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice massage therapy to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice massage therapy in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice massage therapy; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 640C.400;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 640C.520 for the application for and initial issuance of a license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice massage therapy pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice massage therapy to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, ➡ whichever occurs later.

4. A license by endorsement to practice massage therapy may be issued at a meeting of the Board or between its meetings by the Chair and Executive

Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 33. NRS 640C.400 is hereby amended to read as follows:

640C.400 1. The Board may issue a license to practice massage therapy.

2. An applicant for a license must:

(a) Be at least 18 years of age;

(b) ~~Submit~~ **Except as otherwise provided in section 32 of this act, submit**
to the Board:

(1) A completed application on a form prescribed by the Board;

(2) The fees prescribed by the Board pursuant to NRS 640C.520;

(3) Proof that the applicant has successfully completed a program of massage therapy recognized by the Board;

(4) A certified statement issued by the licensing authority in each state, territory or possession of the United States or the District of Columbia in which the applicant is or has been licensed to practice massage therapy verifying that:

(I) The applicant has not been involved in any disciplinary action relating to his or her license to practice massage therapy; and

(II) Disciplinary proceedings relating to his or her license to practice massage therapy are not pending;

(5) Except as otherwise provided in NRS 640C.440, a complete set of fingerprints and written permission authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(6) The names and addresses of five natural persons not related to the applicant and not business associates of the applicant who are willing to serve as character references;

(7) A statement authorizing the Board or its designee to conduct an investigation to determine the accuracy of any statements set forth in the application; and

(8) If required by the Board, a financial questionnaire; and

(c) In addition to any examination required pursuant to NRS 640C.320 ~~to~~ **and except as otherwise provided in section 32 of this act:**

(1) Except as otherwise provided in subsection 3, pass a written examination administered by any board that is accredited by the National Commission for Certifying Agencies, or its successor organization, to examine massage therapists; or

(2) At the applicant's discretion and in lieu of a written examination, pass an oral examination prescribed by the Board.

3. If the Board determines that the examinations being administered pursuant to subparagraph (1) of paragraph (c) of subsection 2 are inadequately testing the knowledge and competency of applicants, the Board shall prepare or cause to be prepared its own written examination to test the knowledge and competency of applicants. Such an examination must be offered not less than four times each year. The location of the examination must alternate between Clark County and Washoe County. Upon request, the Board must provide a

list of approved interpreters at the location of the examination to interpret the examination for an applicant who, as determined by the Board, requires an interpreter for the examination.

4. The Board shall recognize a program of massage therapy that is:

- (a) Approved by the Commission on Postsecondary Education; or
- (b) Offered by a public college in this State or any other state.

➔ The Board may recognize other programs of massage therapy.

5. ~~The~~ ***Except as otherwise provided in section 32 of this act, the*** Board or its designee shall:

(a) Conduct an investigation to determine:

- (1) The reputation and character of the applicant;
- (2) The existence and contents of any record of arrests or convictions of the applicant;

(3) The existence and nature of any pending litigation involving the applicant that would affect his or her suitability for licensure; and

(4) The accuracy and completeness of any information submitted to the Board by the applicant;

(b) If the Board determines that it is unable to conduct a complete investigation, require the applicant to submit a financial questionnaire and investigate the financial background and each source of funding of the applicant;

(c) Report the results of the investigation of the applicant within the period the Board establishes by regulation pursuant to NRS 640C.320; and

(d) Except as otherwise provided in NRS 239.0115, maintain the results of the investigation in a confidential manner for use by the Board and its members and employees in carrying out their duties pursuant to this chapter. The provisions of this paragraph do not prohibit the Board or its members or employees from communicating or cooperating with or providing any documents or other information to any other licensing board or any other federal, state or local agency that is investigating a person, including, without limitation, a law enforcement agency.

Sec. 34. Chapter 641 of NRS is hereby amended by adding thereto the provisions set forth as sections 35 and 36 of this act.

Sec. 35. 1. *The Board may issue a license by endorsement as a psychologist or behavior analyst to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a psychologist or behavior analyst, as applicable, in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

- (1) *Satisfies the requirements of subsection 1;***
- (2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;***

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a psychologist or behavior analyst, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641.160;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fee prescribed by the Board pursuant to NRS 641.370 for the issuance of an initial license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as a psychologist or behavior analyst pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a psychologist or behavior analyst, as applicable, to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement as a psychologist or behavior analyst may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 36. 1. The Board may issue a certificate by endorsement as an autism behavior interventionist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as an autism behavior interventionist in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as an autism behavior interventionist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) The fee prescribed by the Board pursuant to NRS 641.370 for the issuance of an initial certificate; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as an autism behavior interventionist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as an autism behavior interventionist to the applicant not later than 45 days after receiving the application.

4. A certificate by endorsement as an autism behavior interventionist may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 37. NRS 641.170 is hereby amended to read as follows:

641.170 1. ~~Each~~ **Except as otherwise provided in section 35 of this act, each** application for licensure as a psychologist must be accompanied by evidence satisfactory to the Board that the applicant:

(a) Is at least 21 years of age.

(b) Is of good moral character as determined by the Board.

(c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.

(d) Has earned a doctorate in psychology from an accredited educational institution approved by the Board, or has other doctorate-level training from an accredited educational institution deemed equivalent by the Board in both subject matter and extent of training.

(e) Has at least 2 years of experience satisfactory to the Board, 1 year of which must be postdoctoral experience in accordance with the requirements established by regulations of the Board.

2. ~~Each~~ **Except as otherwise provided in section 35 of this act, each** application for licensure as a behavior analyst must be accompanied by evidence satisfactory to the Board that the applicant:

(a) Is at least 21 years of age.

(b) Is of good moral character as determined by the Board.

(c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.

(d) Has earned a master's degree from an accredited college or university in a field of social science or special education and holds a current certification

as a Board Certified Behavior Analyst by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.

(e) Has completed other education, training or experience in accordance with the requirements established by regulations of the Board.

(f) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.

3. Each application for licensure as an assistant behavior analyst must be accompanied by evidence satisfactory to the Board that the applicant:

(a) Is at least 21 years of age.

(b) Is of good moral character as determined by the Board.

(c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.

(d) Has earned a bachelor's degree from an accredited college or university in a field of social science or special education approved by the Board and holds a current certification as a Board Certified Behavior Analyst by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.

(e) Has completed other education, training or experience in accordance with the requirements established by regulations of the Board.

(f) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.

4. ~~Within~~ **Except as otherwise provided in section 35 of this act, within** 120 days after receiving an application and the accompanying evidence from an applicant, the Board shall:

(a) Evaluate the application and accompanying evidence and determine whether the applicant is qualified pursuant to this section for licensure; and

(b) Issue a written statement to the applicant of its determination.

5. The written statement issued to the applicant pursuant to subsection 4 must include:

(a) If the Board determines that the qualifications of the applicant are insufficient for licensure, a detailed explanation of the reasons for that determination.

(b) If the applicant for licensure as a psychologist has not earned a doctorate in psychology from an accredited educational institution approved by the Board and the Board determines that the doctorate-level training from an accredited educational institution is not equivalent in subject matter and extent of training, a detailed explanation of the reasons for that determination.

Sec. 38. NRS 641.172 is hereby amended to read as follows:

641.172 1. ~~Each~~ **Except as otherwise provided in section 36 of this act, each** application for certification as an autism behavior interventionist must be accompanied by evidence satisfactory to the Board that the applicant:

(a) Is at least 18 years of age.

(b) Is of good moral character as determined by the Board.

(c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.

(d) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.

(e) Has completed satisfactorily a standardized practical examination developed and approved by the Board. The examination must be conducted by the applicant's supervisor, who shall make a videotape or other audio and visual recording of the applicant's performance of the examination for submission to the Board. The Board may review the recording as part of its evaluation of the applicant's qualifications.

2. ~~Within~~ **Except as otherwise provided in section 36 of this act, within** 120 days after receiving an application and the accompanying evidence from an applicant, the Board shall:

(a) Evaluate the application and accompanying evidence and determine whether the applicant is qualified pursuant to this section for certification as an autism behavior interventionist; and

(b) Issue a written statement to the applicant of its determination.

3. If the Board determines that the qualifications of the applicant are insufficient for certification, the written statement issued to the applicant pursuant to subsection 2 must include a detailed explanation of the reasons for that determination.

Sec. 39. NRS 641.180 is hereby amended to read as follows:

641.180 1. Except as otherwise provided in this section and NRS 641.190, **and section 35 of this act**, each applicant for a license as a psychologist must pass the national examination. In addition to the national examination, the Board may require an examination in whatever applied or theoretical fields it deems appropriate.

2. The Board shall notify each applicant of the results of the national examination and any other examination required pursuant to subsection 1.

3. The Board may waive the requirement of the national examination for a person who:

(a) Is licensed in another state;

(b) Has at least 10 years' experience; and

(c) Is a diplomate in the American Board of Professional Psychology or a fellow in the American Psychological Association, or who has other equivalent status as determined by the Board.

Sec. 40. NRS 641.370 is hereby amended to read as follows:

641.370 1. The Board shall charge and collect not more than the following fees respectively:

For the national examination, in addition to the actual cost to the Board of the examination	\$100
For any other examination required pursuant to the provisions of subsection 1 of NRS 641.180, in addition to the actual costs to the Board of the examination	100
For the issuance of an initial license or certificate , including a license or certificate by endorsement	25

For the biennial renewal of a license of a psychologist.....	500
For the biennial renewal of a license of a licensed behavior analyst	400
For the biennial renewal of a license of a licensed assistant behavior analyst	275
For the biennial renewal of a certificate of a certified autism behavior interventionist.....	175
For the restoration of a license suspended for the nonpayment of the biennial fee for the renewal of a license	100
For the registration of a firm, partnership or corporation which engages in or offers to engage in the practice of psychology	300
For the registration of a nonresident to practice as a consultant.....	100

2. An applicant who passes the national examination and any other examination required pursuant to the provisions of subsection 1 of NRS 641.180 and who is eligible for a license as a psychologist shall pay the biennial fee for the renewal of a license, which must be prorated for the period from the date the license is issued to the end of the biennium.

3. An applicant who passes the examination and is eligible for a license as a behavior analyst or assistant behavior analyst or a certificate as a autism behavior interventionist shall pay the biennial fee for the renewal of a license or certificate, which must be prorated for the period from the date the license or certificate is issued to the end of the biennium.

4. ~~It is~~ **Except as otherwise provided in subsection 5 and sections 35 and 36 of this act, in** addition to the fees set forth in subsection 1, the Board may charge and collect a fee for the expedited processing of a request or for any other incidental service it provides. The fee must not exceed the cost to provide the service.

5. If an applicant submits an application for a license or certificate by endorsement pursuant to section 35 or 36 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1 for the issuance of an initial license or certificate.

Sec. 41. Chapter 641A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a marriage and family therapist or clinical professional counselor, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a marriage and family therapist or clinical professional counselor, as applicable; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~*

(b) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(c) *The fees prescribed by the Board pursuant to NRS 641A.290 for the application for and initial issuance of a license; and*

(d) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement to practice as a marriage and family therapist or clinical professional counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor, as applicable, to the applicant not later than 45 days after receiving the application.*

4. *A license by endorsement to practice as a marriage and family therapist or clinical professional counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 42. NRS 641A.220 is hereby amended to read as follows:

641A.220 ~~Each~~ *Except as otherwise provided in section 41 of this act, each* applicant for a license to practice as a marriage and family therapist must furnish evidence satisfactory to the Board that the applicant:

1. *Is at least 21 years of age;*
2. *Is of good moral character;*
3. *Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;*

4. *Has completed residency training in psychiatry from an accredited institution approved by the Board, has a graduate degree in marriage and family therapy, psychology or social work from an accredited institution approved by the Board or has completed other education and training which is deemed equivalent by the Board;*

5. *Has:*

- (a) *At least 2 years of postgraduate experience in marriage and family therapy; and*

(b) At least 3,000 hours of supervised experience in marriage and family therapy, of which at least 1,500 hours must consist of direct contact with clients; and

6. Holds an undergraduate degree from an accredited institution approved by the Board.

Sec. 43. NRS 641A.230 is hereby amended to read as follows:

641A.230 1. Except as otherwise provided in subsection 2 ~~and~~ **section 41 of this act**, each qualified applicant for a license to practice as a marriage and family therapist must pass a written examination given by the Board on his or her knowledge of marriage and family therapy. Examinations must be given at a time and place and under such supervision as the Board may determine.

2. The Board shall accept receipt of a passing grade by a qualified applicant on the national examination sponsored by the Association of Marital and Family Therapy Regulatory Boards in lieu of requiring a written examination pursuant to subsection 1.

3. In addition to the requirements of subsections 1 and 2, the Board may require an oral examination. The Board may examine applicants in whatever applied or theoretical fields it deems appropriate.

Sec. 44. NRS 641A.231 is hereby amended to read as follows:

641A.231 ~~Each~~ **Except as otherwise provided in section 41 of this act**, **each** applicant for a license to practice as a clinical professional counselor must furnish evidence satisfactory to the Board that the applicant:

1. Is at least 21 years of age;
2. Is of good moral character;
3. Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;
4. Has:

(a) Completed residency training in psychiatry from an accredited institution approved by the Board;

(b) A graduate degree from a program approved by the Council for Accreditation of Counseling and Related Educational Programs as a program in mental health counseling or community counseling; or

(c) An acceptable degree as determined by the Board which includes the completion of a practicum and internship in mental health counseling which was taken concurrently with the degree program and was supervised by a licensed mental health professional; and

5. Has:

(a) At least 2 years of postgraduate experience in professional counseling;

(b) At least 3,000 hours of supervised experience in professional counseling which includes, without limitation:

(1) At least 1,500 hours of direct contact with clients; and

(2) At least 100 hours of counseling under the direct supervision of an approved supervisor of which at least 1 hour per week was completed for each work setting at which the applicant provided counseling; and

(c) Passed the National Clinical Mental Health Counseling Examination which is administered by the National Board for Certified Counselors.

Sec. 45. Chapter 641B of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to engage in social work to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to engage in social work in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to engage in social work; ~~and~~

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States ~~more than once~~; and

(5) Has been continuously and actively engaged in social work for the past 5 years;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641B.202;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to engage in social work pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to engage in social work to the applicant not later than:

(a) Forty-five days after receiving the application; or

**(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
 ➡ whichever occurs later.**

4. A license by endorsement to engage in social work may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 46. NRS 641B.250 is hereby amended to read as follows:

641B.250 1. Except as otherwise provided in NRS **641B.270 and 641B.275, and section 45 of this act**, before the issuance of a license, each applicant, otherwise eligible for licensure, who has paid the fee and presented the required credentials, other than an applicant for a license to engage in social work as an associate in social work, must appear personally and pass an examination concerning his or her knowledge of the practice of social work.

2. Any such examination must be fair and impartial, practical in character with questions designed to discover the applicant's fitness.

3. The Board may employ specialists and other professional consultants or examining services in conducting the examination.

4. The member of the Board who is the representative of the general public shall not participate in the grading of the examination.

5. The Board shall examine applicants for licensure at least twice a year.

Sec. 47. NRS 641B.300 is hereby amended to read as follows:

641B.300 **1.** The Board shall charge and collect fees not to exceed the following amounts for:

Initial application.....	\$40
Provisional license.....	75
Initial issuance of a license , including a license by endorsement	100
Annual renewal of a license	150
Restoration of a suspended license or reinstatement of a revoked license.....	150
Restoration of an expired license	200
Renewal of a delinquent license	100
Reciprocal license without examination.....	100

2. If an applicant submits an application for a license by endorsement pursuant to section 45 of this act, the Board shall charge and collect not more than the fees specified in subsection 1 for the initial application for and initial issuance of a license.

Sec. 48. Chapter 641C of NRS is hereby amended by adding thereto the provisions set forth as sections 49 to 53, inclusive, of this act.

Sec. 49. 1. The Board may issue a license by endorsement as a clinical alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a clinical alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a clinical alcohol and drug abuse counselor; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as a clinical alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a clinical alcohol and drug abuse counselor to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement as a clinical alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 50. 1. The Board may issue a license by endorsement as an alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as an alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as an alcohol and drug abuse counselor; and

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~*

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(d) *The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial license; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement as an alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as an alcohol and drug abuse counselor to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*
 ➔ *whichever occurs later.*

4. *A license by endorsement as an alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 51. 1. *The Board may issue a certificate by endorsement as an alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as an alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as an alcohol and drug abuse counselor; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~*

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial certificate; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as an alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as an alcohol and drug abuse counselor to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, ➡ whichever occurs later.

4. A certificate by endorsement as an alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 52. 1. The Board may issue a certificate by endorsement as a problem gambling counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as a problem gambling counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a problem gambling counselor; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) *The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial certificate; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a certificate by endorsement as a problem gambling counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a problem gambling counselor to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, whichever occurs later.*

4. *A certificate by endorsement as a problem gambling counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 53. 1. *Notwithstanding any regulations adopted pursuant to NRS 641C.500, the Board may issue a certificate by endorsement as a detoxification technician to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as a detoxification technician in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a detoxification technician; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States; ~~more than once;~~*

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided pursuant to NRS 641C.500;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(d) *Any fee prescribed by the Board pursuant to NRS 641C.500 for the issuance of a certificate; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a certificate by endorsement as a detoxification technician pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a detoxification technician to the applicant not later than:*

- (a) Forty-five days after receiving the application; or*
- (b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*
↪ whichever occurs later.

4. *A certificate by endorsement as a detoxification technician may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 54. NRS 641C.290 is hereby amended to read as follows:

641C.290 1. ~~Each~~ **Except as otherwise provided in section 49 of this act, each** applicant for a license as a clinical alcohol and drug abuse counselor must pass a written and oral examination concerning his or her knowledge of the clinical practice of counseling alcohol and drug abusers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

2. ~~Each~~ **Except as otherwise provided in section 50 or 51 of this act, each** applicant for a license or certificate as an alcohol and drug abuse counselor must pass a written and oral examination concerning his or her knowledge of the practice of counseling alcohol and drug abusers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

3. ~~Each~~ **Except as otherwise provided in section 52 of this act, each** applicant for a certificate as a problem gambling counselor must pass a written examination concerning his or her knowledge of the practice of counseling problem gamblers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

4. The Board shall:

- (a) Examine applicants at least two times each year.
- (b) Establish the time and place for the examinations.
- (c) Provide such books and forms as may be necessary to conduct the examinations.
- (d) Except as otherwise provided in NRS 622.090, establish, by regulation, the requirements for passing the examination.

5. The Board may employ other persons to conduct the examinations.

Sec. 55. NRS 641C.470 is hereby amended to read as follows:

641C.470 1. The Board shall charge and collect not more than the following fees:

For the initial application for a license or certificate , including a license or certificate by endorsement	\$150
For the issuance of a provisional license or certificate	125
For the issuance of an initial license or certificate , including a license or certificate by endorsement	60
For the renewal of a license or certificate as an alcohol and drug abuse counselor, a license as a clinical alcohol and drug abuse counselor or a certificate as a problem gambling counselor	300
For the renewal of a certificate as a clinical alcohol and drug abuse counselor intern, an alcohol and drug abuse counselor intern or a problem gambling counselor intern	75
For the renewal of a delinquent license or certificate	75
For the restoration of an expired license or certificate	150
For the restoration or reinstatement of a suspended or revoked license or certificate	300
For the issuance of a license or certificate without examination	150
For an examination.....	150
For the approval of a course of continuing education	150

2. ***If an applicant submits an application for a license or certificate by endorsement pursuant to section 49, 50, 51 ~~for~~ , 52 or 53 of this act, the Board shall charge and collect not more than the fees specified in subsection 1 for the initial application for and issuance of an initial license or certificate, as applicable.***

3. The fees charged and collected pursuant to this section are not refundable.

Sec. 56. This act becomes effective upon passage and approval.

Assemblywoman Seaman moved the adoption of the amendment.

Remarks by Assemblywoman Seaman.

ASSEMBLYWOMAN SEAMAN:

Amendment 756 to Senate Bill 68 addresses malpractice as well as specialties certified by the American Osteopathic Association. It ensures physicians who have been investigated but not disciplined are not precluded from licensure by endorsement. The amendment requires the Nevada State Board of Optometry to issue a license by endorsement to practice optometry under certain circumstances. Additionally, it revises section 11 of the bill to provide the State Board of Podiatry with additional time to process an application for license by endorsement based on the submission of an applicant's fingerprints.

Finally, the amendment allows the Board of Examiners for Social Workers to ensure applicants for a license by endorsement and to collect fees for issuance of such a license.

Amendment adopted.

The following amendment was proposed by Assemblyman Kirner.

Amendment No. 874.

AN ACT relating to professions; authorizing certain qualified professionals who hold a license in the District of Columbia or another state or territory of

the United States to apply for the issuance of an expedited license by endorsement to practice in this State; revising provisions relating to certain limited licenses to practice medicine as a resident physician; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1.3, 1.5, 6.3, 6.4, 6.7, 7, 8.5, 11, 13.93, 14, 18, 19, 25, 28, 32, 35, 36, 41, 45 and 50-54 of this bill authorize certain qualified physicians, podiatrists, other providers of health care and professionals to obtain an expedited license by endorsement to practice their respective professions in this State if the physician, podiatrist, other provider of health care or professional holds a valid and unrestricted license to practice in the District of Columbia or another state or territory of the United States and meets certain other requirements. Specifically, an expedited license by endorsement may be obtained from the Board of Medical Examiners, the State Board of Nursing, the State Board of Osteopathic Medicine, the State Board of Podiatry, **the Board of Hearing Aid Specialists**, the Board of Examiners for Audiology and Speech Pathology, the State Board of Pharmacy, the State Board of Physical Therapy Examiners, the Board of Occupational Therapy, the Board of Massage Therapists, the Board of Psychological Examiners, the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, the Board of Examiners for Social Workers and the Board of Examiners for Alcohol, Drug and Gambling Counselors. **Sections 1.3 and 8.5** require a physician or osteopathic physician to be certified in a specialty recognized by the American Board of Medical Specialties or the American Osteopathic Association, as applicable, to obtain such an expedited license by endorsement.

Existing law authorizes the Board of Medical Examiners and the State Board of Osteopathic Medicine to issue a limited license to practice medicine as a resident physician to an applicant who meets certain requirements. (NRS 630.265, 633.401) **Sections 5 and 9** of this bill require, with limited exceptions, the Board of Medical Examiners and the State Board of Osteopathic Medicine to issue those limited licenses.

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

Section 1. Chapter 630 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.5 of this act:

Sec. 1.3. 1. *Except as otherwise provided in NRS 630.161, the Board may issue a license by endorsement to practice medicine to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:*

(a) Holds a corresponding valid and unrestricted license to practice medicine in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice medicine; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 630.167;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice medicine pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice medicine to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement to practice medicine may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 1.5. 1. The Board may issue a license by endorsement to practice as a physician assistant to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license to practice as a physician assistant in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a physician assistant; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 630.167;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a physician assistant pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a physician assistant to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

☛ whichever occurs later.

4. A license by endorsement to practice as a physician assistant may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 2. NRS 630.160 is hereby amended to read as follows:

630.160 1. Every person desiring to practice medicine must, before beginning to practice, procure from the Board a license authorizing the person to practice.

2. Except as otherwise provided in NRS 630.1605, 630.161 and 630.258 to 630.266, inclusive, **and section 1.3 of this act**, a license may be issued to any person who:

(a) Is a citizen of the United States or is lawfully entitled to remain and work in the United States;

(b) Has received the degree of doctor of medicine from a medical school:

(1) Approved by the Liaison Committee on Medical Education of the American Medical Association and Association of American Medical Colleges; or

(2) Which provides a course of professional instruction equivalent to that provided in medical schools in the United States approved by the Liaison Committee on Medical Education;

(c) Is currently certified by a specialty board of the American Board of Medical Specialties and who agrees to maintain the certification for the duration of the licensure, or has passed:

(1) All parts of the examination given by the National Board of Medical Examiners;

(2) All parts of the Federation Licensing Examination;

(3) All parts of the United States Medical Licensing Examination;

(4) All parts of a licensing examination given by any state or territory of the United States, if the applicant is certified by a specialty board of the American Board of Medical Specialties;

(5) All parts of the examination to become a licentiate of the Medical Council of Canada; or

(6) Any combination of the examinations specified in subparagraphs (1), (2) and (3) that the Board determines to be sufficient;

(d) Is currently certified by a specialty board of the American Board of Medical Specialties in the specialty of emergency medicine, preventive medicine or family practice and who agrees to maintain certification in at least one of these specialties for the duration of the licensure, or:

(1) Has completed 36 months of progressive postgraduate:

(I) Education as a resident in the United States or Canada in a program approved by the Board, the Accreditation Council for Graduate Medical Education, ~~for the [Coordinating Council of Medical Education of the Canadian Medical Association]~~ **Royal College of Physicians and Surgeons of Canada, the College des medecins du Quebec, the College of Family Physicians of Canada or, as applicable, their successor organizations;** or

(II) Fellowship training in the United States or Canada approved by the Board or the Accreditation Council for Graduate Medical Education;

(2) Has completed at least 36 months of postgraduate education, not less than 24 months of which must have been completed as a resident after receiving a medical degree from a combined dental and medical degree program approved by the Board; or

(3) Is a resident who is enrolled in a progressive postgraduate training program in the United States or Canada approved by the Board, the Accreditation Council for Graduate Medical Education, ~~for the [Coordinating Council of Medical Education of the Canadian Medical Association]~~ **Royal College of Physicians and Surgeons of Canada, the College des medecins du Quebec, the College of Family Physicians of Canada or, as applicable, their successor organizations,** has completed at least 24 months of the program and has committed, in writing, to the Board that he or she will complete the program; and

(e) Passes a written or oral examination, or both, as to his or her qualifications to practice medicine and provides the Board with a description

of the clinical program completed demonstrating that the applicant's clinical training met the requirements of paragraph (b).

3. The Board may issue a license to practice medicine after the Board verifies, through any readily available source, that the applicant has complied with the provisions of subsection 2. The verification may include, but is not limited to, using the Federation Credentials Verification Service. If any information is verified by a source other than the primary source of the information, the Board may require subsequent verification of the information by the primary source of the information.

4. Notwithstanding any provision of this chapter to the contrary, if, after issuing a license to practice medicine, the Board obtains information from a primary or other source of information and that information differs from the information provided by the applicant or otherwise received by the Board, the Board may:

- (a) Temporarily suspend the license;
- (b) Promptly review the differing information with the Board as a whole or in a committee appointed by the Board;
- (c) Declare the license void if the Board or a committee appointed by the Board determines that the information submitted by the applicant was false, fraudulent or intended to deceive the Board;
- (d) Refer the applicant to the Attorney General for possible criminal prosecution pursuant to NRS 630.400; or
- (e) If the Board temporarily suspends the license, allow the license to return to active status subject to any terms and conditions specified by the Board, including:
 - (1) Placing the licensee on probation for a specified period with specified conditions;
 - (2) Administering a public reprimand;
 - (3) Limiting the practice of the licensee;
 - (4) Suspending the license for a specified period or until further order of the Board;
 - (5) Requiring the licensee to participate in a program to correct alcohol or drug dependence or any other impairment;
 - (6) Requiring supervision of the practice of the licensee;
 - (7) Imposing an administrative fine not to exceed \$5,000;
 - (8) Requiring the licensee to perform community service without compensation;
 - (9) Requiring the licensee to take a physical or mental examination or an examination testing his or her competence to practice medicine;
 - (10) Requiring the licensee to complete any training or educational requirements specified by the Board; and
 - (11) Requiring the licensee to submit a corrected application, including the payment of all appropriate fees and costs incident to submitting an application.

5. If the Board determines after reviewing the differing information to allow the license to remain in active status, the action of the Board is not a disciplinary action and must not be reported to any national database. If the Board determines after reviewing the differing information to declare the license void, its action shall be deemed a disciplinary action and shall be reportable to national databases.

Sec. 3. NRS 630.165 is hereby amended to read as follows:

630.165 1. Except as otherwise provided in subsection 2, an applicant for a license to practice medicine must submit to the Board, on a form provided by the Board, an application in writing, accompanied by an affidavit stating that:

(a) The applicant is the person named in the proof of graduation and that it was obtained without fraud or misrepresentation or any mistake of which the applicant is aware; and

(b) The information contained in the application and any accompanying material is complete and correct.

2. An applicant for a license by endorsement to practice medicine pursuant to NRS 630.1605 **or section 1.3 of this act** must submit to the Board, on a form provided by the Board, an application in writing, accompanied by an affidavit stating that:

(a) The applicant is the person named in the license to practice medicine issued by the District of Columbia or any state or territory of the United States and that the license was obtained without fraud or misrepresentation or any mistake of which the applicant is aware; and

(b) The information contained in the application and any accompanying material is complete and correct.

3. An application submitted pursuant to subsection 1 or 2 must include all information required to complete the application.

4. In addition to the other requirements for licensure, the Board may require such further evidence of the mental, physical, medical or other qualifications of the applicant as it considers necessary.

5. The applicant bears the burden of proving and documenting his or her qualifications for licensure.

Sec. 3.5. NRS 630.195 is hereby amended to read as follows:

630.195 1. ~~It is~~ **Except as otherwise provided in section 1.3 of this act,** **in** addition to the other requirements for licensure, an applicant for a license to practice medicine who is a graduate of a foreign medical school shall submit to the Board proof that the applicant has received:

(a) The degree of doctor of medicine or its equivalent, as determined by the Board; and

(b) The standard certificate of the Educational Commission for Foreign Medical Graduates or a written statement from that Commission that the applicant passed the examination given by the Commission.

2. The proof of the degree of doctor of medicine or its equivalent must be submitted directly to the Board by the medical school that granted the degree.

If proof of the degree is unavailable from the medical school that granted the degree, the Board may accept proof from any other source specified by the Board.

Sec. 4. NRS 630.258 is hereby amended to read as follows:

630.258 1. A physician who is retired from active practice and who:

(a) Wishes to donate his or her expertise for the medical care and treatment of persons in this State who are indigent, uninsured or unable to afford health care; or

(b) Wishes to provide services for any disaster relief operations conducted by a governmental entity or nonprofit organization,

➡ may obtain a special volunteer medical license by submitting an application to the Board pursuant to this section.

2. An application for a special volunteer medical license must be on a form provided by the Board and must include:

(a) Documentation of the history of medical practice of the physician;

(b) Proof that the physician previously has been issued an unrestricted license to practice medicine in any state of the United States and that the physician has never been the subject of disciplinary action by a medical board in any jurisdiction;

(c) Proof that the physician satisfies the requirements for licensure set forth in NRS 630.160 or the requirements for licensure by endorsement set forth in NRS 630.1605 ~~§~~ **or section 1.3 of this act;**

(d) Acknowledgment that the practice of the physician under the special volunteer medical license will be exclusively devoted to providing medical care:

(1) To persons in this State who are indigent, uninsured or unable to afford health care; or

(2) As part of any disaster relief operations conducted by a governmental entity or nonprofit organization; and

(e) Acknowledgment that the physician will not receive any payment or compensation, either direct or indirect, or have the expectation of any payment or compensation, for providing medical care under the special volunteer medical license, except for payment by a medical facility at which the physician provides volunteer medical services of the expenses of the physician for necessary travel, continuing education, malpractice insurance or fees of the State Board of Pharmacy.

3. If the Board finds that the application of a physician satisfies the requirements of subsection 2 and that the retired physician is competent to practice medicine, the Board shall issue a special volunteer medical license to the physician.

4. The initial special volunteer medical license issued pursuant to this section expires 1 year after the date of issuance. The license may be renewed pursuant to this section, and any license that is renewed expires 2 years after the date of issuance.

5. The Board shall not charge a fee for:

- (a) The review of an application for a special volunteer medical license; or
- (b) The issuance or renewal of a special volunteer medical license pursuant to this section.

6. A physician who is issued a special volunteer medical license pursuant to this section and who accepts the privilege of practicing medicine in this State pursuant to the provisions of the special volunteer medical license is subject to all the provisions governing disciplinary action set forth in this chapter.

7. A physician who is issued a special volunteer medical license pursuant to this section shall comply with the requirements for continuing education adopted by the Board.

Sec. 5. NRS 630.265 is hereby amended to read as follows:

630.265 1. ~~{Except as otherwise provided in}~~ **Unless the Board denies such licensure pursuant to** NRS 630.161 ~~{,}~~ **or for other good cause,** the Board ~~{may}~~ **shall** issue to a qualified applicant a limited license to practice medicine as a resident physician in a graduate program approved by the Accreditation Council for Graduate Medical Education if the applicant is:

(a) A graduate of an accredited medical school in the United States or Canada; or

(b) A graduate of a foreign medical school and has received the standard certificate of the Educational Commission for Foreign Medical Graduates or a written statement from that Commission that the applicant passed the examination given by it.

2. The medical school or other institution sponsoring the program shall provide the Board with written confirmation that the applicant has been appointed to a position in the program and is a citizen of the United States or lawfully entitled to remain and work in the United States. A limited license remains valid only while the licensee is actively practicing medicine in the residency program and is legally entitled to work and remain in the United States.

3. The Board may issue a limited license for not more than 1 year but may renew the license if the applicant for the limited license meets the requirements set forth by the Board by regulation.

4. The holder of a limited license may practice medicine only in connection with his or her duties as a resident physician or under such conditions as are approved by the director of the program.

5. The holder of a limited license granted pursuant to this section may be disciplined by the Board at any time for any of the grounds provided in NRS 630.161 or 630.301 to 630.3065, inclusive.

Sec. 6. NRS 630.268 is hereby amended to read as follows:

630.268 1. The Board shall charge and collect not more than the following fees:

For application for and issuance of a license to practice as a
physician, including a license by endorsement \$600

For application for and issuance of a temporary, locum tenens, limited, restricted, authorized facility, special, special purpose or special event license	400
For renewal of a limited, restricted, authorized facility or special license	400
For application for and issuance of a license as a physician assistant , including a license by endorsement	400
For biennial registration of a physician assistant.....	800
For biennial registration of a physician	800
For application for and issuance of a license as a perfusionist or practitioner of respiratory care.....	400
For biennial renewal of a license as a perfusionist.....	600
For biennial registration of a practitioner of respiratory care	600
For biennial registration for a physician who is on inactive status	400
For written verification of licensure	50
For a duplicate identification card.....	25
For a duplicate license.....	50
For computer printouts or labels.....	500
For verification of a listing of physicians, per hour.....	20
For furnishing a list of new physicians.....	100

2. ~~For~~ **Except as otherwise provided in subsection 4, in** addition to the fees prescribed in subsection 1, the Board shall charge and collect necessary and reasonable fees for the expedited processing of a request or for any other incidental service the Board provides.

3. The cost of any special meeting called at the request of a licensee, an institution, an organization, a state agency or an applicant for licensure must be paid for by the person or entity requesting the special meeting. Such a special meeting must not be called until the person or entity requesting it has paid a cash deposit with the Board sufficient to defray all expenses of the meeting.

4. If an applicant submits an application for a license by endorsement pursuant to section 1.3 or 1.5 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1 for the application for and initial issuance of a license.

Sec. 6.1. NRS 630.275 is hereby amended to read as follows:

630.275 The Board shall adopt regulations regarding the licensure of a physician assistant, including, but not limited to:

1. The educational and other qualifications of applicants.
2. The required academic program for applicants.
3. The procedures for applications for and the issuance of licenses.

4. The procedures deemed necessary by the Board for applications for and the initial issuance of licenses by endorsement pursuant to section 1.5 of this act.

5. The tests or examinations of applicants by the Board.

~~{5-}~~ 6. The medical services which a physician assistant may perform, except that a physician assistant may not perform those specific functions and duties delegated or restricted by law to persons licensed as dentists, chiropractors, podiatric physicians and optometrists under chapters 631, 634, 635 and 636, respectively, of NRS, or as hearing aid specialists.

~~{6-}~~ 7. The duration, renewal and termination of licenses ~~+~~
~~—7-}, including licenses by endorsement.~~

8. The grounds and procedures respecting disciplinary actions against physician assistants.

~~{8-}~~ 9. The supervision of medical services of a physician assistant by a supervising physician, including, without limitation, supervision that is performed electronically, telephonically or by fiber optics from within or outside this State or the United States.

~~{9-}~~ 10. A physician assistant's use of equipment that transfers information concerning the medical condition of a patient in this State electronically, telephonically or by fiber optics from within or outside this State or the United States.

Sec. 6.2. Chapter 632 of NRS is hereby amended by adding thereto the provisions set forth as sections 6.3 and 6.4 of this act.

Sec. 6.3. 1. *Except as otherwise provided in NRS 632.3405, the Board may issue a license by endorsement to practice as a professional nurse to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice as a professional nurse in the District of Columbia or any state or territory of the United States.*

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a professional nurse; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 632.344;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a professional nurse pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a professional nurse to the applicant not later than:

- (a) Forty-five days after receiving the application; or
 - (b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
- ↪ whichever occurs later.

4. A license by endorsement to practice as a professional nurse may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 6.4. 1. Except as otherwise provided in NRS 632.3405, the Board may issue a license by endorsement to practice as a practical nurse to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice as a practical nurse in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

- (a) Proof satisfactory to the Board that the applicant:
 - (1) Satisfies the requirements of subsection 1;
 - (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;
 - (3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a practical nurse; and
 - (4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;
- (b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 632.344;
- (c) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and
- (d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a practical nurse pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall

approve the application and issue a license by endorsement to practice as a practical nurse to the applicant not later than:

- (a) Forty-five days after receiving the application; or*
- (b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*
↪ whichever occurs later.

4. A license by endorsement to practice as a practical nurse may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 6.5. NRS 632.140 is hereby amended to read as follows:

632.140 Except as otherwise provided in section 6.3 of this act:

1. Every applicant for a license to practice as a professional nurse in the State of Nevada must submit to the Board written evidence under oath that the applicant:

- (a) Is of good moral character.
- (b) Is in good physical and mental health.
- (c) Has completed a course of study in:
 - (1) An accredited school of professional nursing and holds a diploma therefrom; or
 - (2) An approved school of professional nursing in the process of obtaining accreditation and holds a diploma therefrom.
- (d) Meets such other reasonable preliminary qualification requirements as the Board may from time to time prescribe.

2. Each applicant must remit the fee required by this chapter with the application for a license to practice as a professional nurse in this State.

Sec. 6.6. NRS 632.150 is hereby amended to read as follows:

632.150 1. ~~Each~~ **Except as otherwise provided in NRS 632.160, 632.237 and section 6.3 of this act, each** applicant who is otherwise qualified for a license to practice nursing as a professional nurse shall be required to write and pass an examination on such subjects and in such form as the Board may from time to time determine. Such written examination may be supplemented by an oral or practical examination in the discretion of the Board.

2. The Board shall issue a license to practice nursing as a professional nurse in the State of Nevada to each applicant who successfully passes such examination or examinations.

Sec. 6.7. NRS 632.237 is hereby amended to read as follows:

632.237 1. The Board may issue a license to practice as an advanced practice registered nurse to a registered nurse : ~~who:~~

- (a) Who is licensed by endorsement pursuant to section 6.3 of this act and holds a corresponding valid and unrestricted license to practice as an advanced practice registered nurse in the District of Columbia or any other state or territory of the United States; or**
- (b) Who:**

(1) Has completed an educational program designed to prepare a registered nurse to:

~~[(1)]~~ (I) Perform designated acts of medical diagnosis;

~~[(2)]~~ (II) Prescribe therapeutic or corrective measures; and

~~[(3)]~~ (III) Prescribe controlled substances, poisons, dangerous drugs and devices;

~~[(b)]~~ (2) Except as otherwise provided in subsection 5, submits proof that he or she is certified as an advanced practice registered nurse by the American Board of Nursing Specialties, the National Commission for Certifying Agencies of the Institute for Credentialing Excellence, or their successor organizations, or any other nationally recognized certification agency approved by the Board; and

~~[(c)]~~ (3) Meets any other requirements established by the Board for such licensure.

2. An advanced practice registered nurse may:

(a) Engage in selected medical diagnosis and treatment; and

(b) If authorized pursuant to NRS 639.2351 and subject to the limitations set forth in subsection 3, prescribe controlled substances, poisons, dangerous drugs and devices.

➔ An advanced practice registered nurse shall not engage in any diagnosis, treatment or other conduct which the advanced practice registered nurse is not qualified to perform.

3. An advanced practice registered nurse who is authorized to prescribe controlled substances, poisons, dangerous drugs and devices pursuant to NRS 639.2351 shall not prescribe a controlled substance listed in schedule II unless:

(a) The advanced practice registered nurse has at least 2 years or 2,000 hours of clinical experience; or

(b) The controlled substance is prescribed pursuant to a protocol approved by a collaborating physician.

4. An advanced practice registered nurse may perform the acts described in subsection 2 by using equipment that transfers information concerning the medical condition of a patient in this State electronically, telephonically or by fiber optics from within or outside this State or the United States.

5. The Board shall adopt regulations:

(a) Specifying any additional training, education and experience necessary for licensure as an advanced practice registered nurse.

(b) Delineating the authorized scope of practice of an advanced practice registered nurse.

(c) Establishing the procedure for application for licensure as an advanced practice registered nurse.

6. The provisions of **subparagraph (2) of** paragraph (b) of subsection 1 do not apply to an advanced practice registered nurse who obtains a license before July 1, 2014.

Sec. 6.8. NRS 632.270 is hereby amended to read as follows:

632.270 ~~Each~~ **Except as otherwise provided in section 6.4 of this act,** *each* applicant for a license to practice as a practical nurse must submit to the Board written evidence, under oath, that the applicant:

1. Is of good moral character.
2. Has a high school diploma or its equivalent as determined by the State Board of Education.
3. Is at least 18 years of age.
4. Has:
 - (a) Successfully completed the prescribed course of study in an accredited school of practical nursing or an accredited school of professional nursing, and been awarded a diploma by the school;
 - (b) Successfully completed the prescribed course of study in an approved school of practical nursing in the process of obtaining accreditation or an approved school of professional nursing in the process of obtaining accreditation, and been awarded a diploma by the school; or
 - (c) Been registered or licensed as a registered nurse under the laws of another jurisdiction.
5. Meets any other qualifications prescribed in regulations of the Board.

Sec. 6.9. NRS 632.345 is hereby amended to read as follows:

632.345 1. The Board shall establish and may amend a schedule of fees and charges for the following items and within the following ranges:

	Not less than	Not more than
Application for license to practice professional nursing (registered nurse) , including a license by endorsement	\$45	\$100
Application for license to practice practical nursing , including a license by endorsement	30	90
Application for temporary license to practice professional nursing or practical nursing pursuant to NRS 632.300, which fee must be credited toward the fee required for a regular license, if the applicant applies for a license.....	15	50
Application for a certificate to practice as a nursing assistant or medication aide - certified	15	50
Application for a temporary certificate to practice as a nursing assistant pursuant to NRS 632.300, which fee must be credited toward the fee required for a regular certificate, if the applicant applies for a certificate.....	5	40

Biennial fee for renewal of a license	40	100
Biennial fee for renewal of a certificate	20	50
Fee for reinstatement of a license	10	100
Application for a license to practice as an advanced practice registered nurse , including a license by endorsement	50	200
Application for recognition as a certified registered nurse anesthetist.....	50	200
Biennial fee for renewal of a license to practice as an advanced practice registered nurse or certified registered nurse anesthetist	50	200
Examination fee for license to practice professional nursing	20	100
Examination fee for license to practice practical nursing	10	90
Rewriting examination for license to practice professional nursing	20	100
Rewriting examination for license to practice practical nursing	10	90
Duplicate license	5	30
Duplicate certificate	5	30
Proctoring examination for candidate from another state	25	150
Fee for approving one course of continuing education	10	50
Fee for reviewing one course of continuing education which has been changed since approval.....	5	30
Annual fee for approval of all courses of continuing education offered.....	100	500
Annual fee for review of training program.....	60	100
Certification examination.....	10	90
Approval of instructors of training programs	50	100
Approval of proctors for certification examinations	20	50
Approval of training programs	150	250
Validation of licensure or certification	5	25

2. The Board may collect the fees and charges established pursuant to this section, and those fees or charges must not be refunded.

Sec. 7. Chapter 633 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice as a physician assistant to an applicant who meets the requirements set forth in

this section. An applicant may submit to the Board an application for such a license if the applicant:

(a) Holds a corresponding valid and unrestricted license to practice as a physician assistant in the District of Columbia or any state or territory of the United States; and

(b) Is certified in a specialty recognized by the American Board of Medical Specialties.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a physician assistant; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 633.309;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The application and initial license fee specified in this chapter; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a physician assistant pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a physician assistant to the applicant not later than:

(a) Forty-five days after receiving the application; or

*(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
↪ whichever occurs later.*

4. A license by endorsement to practice as a physician assistant may be issued at a meeting of the Board or between its meetings by the President and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 7.5. NRS 633.305 is hereby amended to read as follows:

633.305 *Except as otherwise provided in section 7 of this act and NRS 633.400:*

1. Every applicant for a license shall:

(a) File an application with the Board in the manner prescribed by regulations of the Board;

(b) Submit verified proof satisfactory to the Board that the applicant meets any age, citizenship and educational requirements prescribed by this chapter; and

(c) Pay in advance to the Board the application and initial license fee specified in NRS 633.501.

2. An application filed with the Board pursuant to subsection 1 must include all information required to complete the application.

3. The Board may hold hearings and conduct investigations into any matter related to the application and, in addition to the proofs required by subsection 1, may take such further evidence and require such other documents or proof of qualifications as it deems proper.

4. The Board may reject an application if the Board has cause to believe that any credential or information submitted by the applicant is false, misleading, deceptive or fraudulent.

Sec. 8. NRS 633.311 is hereby amended to read as follows:

633.311 Except as otherwise provided in NRS 633.315 ~~and 633.381 to 633.419, inclusive~~, an applicant for a license to practice osteopathic medicine may be issued a license by the Board if:

1. The applicant is 21 years of age or older;

2. The applicant is a citizen of the United States or is lawfully entitled to remain and work in the United States;

3. The applicant is a graduate of a school of osteopathic medicine;

4. The applicant:

(a) Has graduated from a school of osteopathic medicine before 1995 and has completed:

(1) A hospital internship; or

(2) One year of postgraduate training that complies with the standards of intern training established by the American Osteopathic Association;

(b) Has completed 3 years, or such other length of time as required by a specific program, of postgraduate medical education as a resident in the United States or Canada in a program approved by the Board, the Bureau of Professional Education of the American Osteopathic Association or the Accreditation Council for Graduate Medical Education; or

(c) Is a resident who is enrolled in a postgraduate training program in this State, has completed 24 months of the program and has committed, in writing, that he or she will complete the program;

5. The applicant applies for the license as provided by law;

6. The applicant passes:

(a) All parts of the licensing examination of the National Board of Osteopathic Medical Examiners;

(b) All parts of the licensing examination of the Federation of State Medical Boards ; ~~for the United States, Inc.;~~

(c) All parts of the licensing examination of the Board, a state, territory or possession of the United States, or the District of Columbia, and is certified by a specialty board of the American Osteopathic Association or by the American Board of Medical Specialties; or

(d) A combination of the parts of the licensing examinations specified in paragraphs (a), (b) and (c) that is approved by the Board;

7. The applicant pays the fees provided for in this chapter; and

8. The applicant submits all information required to complete an application for a license.

Sec. 8.5. NRS 633.400 is hereby amended to read as follows:

633.400 1. Except as otherwise provided in NRS 633.315, the Board shall, except for good cause, issue a license by endorsement to a person who has been issued a license to practice osteopathic medicine by the District of Columbia or any state or territory of the United States if:

(a) At the time the person files an application with the Board, the license is in effect and unrestricted; and

(b) The applicant:

(1) Is currently certified by either a specialty board of the American Board of Medical Specialties or a specialty board of the American Osteopathic Association, or was certified or recertified within the past 10 years;

(2) Has had no adverse actions reported to the National Practitioner Data Bank within the past 5 years;

(3) Has been continuously and actively engaged in the practice of osteopathic medicine within his or her specialty for the past 5 years;

(4) Is not involved in and does not have pending any disciplinary action concerning a license to practice osteopathic medicine in the District of Columbia or any state or territory of the United States;

(5) Provides information on all the medical malpractice claims brought against him or her, without regard to when the claims were filed or how the claims were resolved; and

(6) Meets all statutory requirements to obtain a license to practice osteopathic medicine in this State except that the applicant is not required to meet the requirements set forth in NRS 633.311.

2. Any person applying for a license **by endorsement** pursuant to this section shall ~~pay in~~ **submit**:

(a) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 633.309;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) In advance to the Board the application and initial license fee specified in this chapter ~~to~~; **and**

(d) Any other information required by the Board.

3. **Not later than 15 business days after receiving an application for a license by endorsement pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the**

Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to the applicant not later than:

- (a) Forty-five days after receiving the application; or***
- (b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,***
↪ whichever occurs later.

4. A license by endorsement may be issued at a meeting of the Board or between its meetings by its President and Executive Director. Such action shall be deemed to be an action of the Board.

Sec. 9. NRS 633.401 is hereby amended to read as follows:

633.401 1. ~~{Except as otherwise provided in}~~ ***Unless the Board denies such licensure pursuant to NRS 633.315 {,} or for other good cause,*** the Board ~~{may}~~ ***shall*** issue a special license to practice osteopathic medicine:

(a) To authorize a person who is licensed to practice osteopathic medicine in an adjoining state to come into Nevada to care for or assist in the treatment of his or her patients in association with an osteopathic physician in this State who has primary care of the patients.

(b) To a resident while the resident is enrolled in a postgraduate training program required pursuant to the provisions of paragraph (c) of subsection 4 of NRS 633.311.

(c) Other than a license issued pursuant to NRS 633.419, for a specified period and for specified purposes to a person who is licensed to practice osteopathic medicine in another jurisdiction.

2. For the purpose of paragraph (c) of subsection 1, the osteopathic physician must:

(a) Hold a full and unrestricted license to practice osteopathic medicine in another state;

(b) Not have had any disciplinary or other action taken against him or her by any state or other jurisdiction; and

(c) Be certified by a specialty board of the American Board of Medical Specialties, the American Osteopathic Association or their successors.

3. A special license issued under this section may be renewed by the Board upon application of the licensee.

4. Every person who applies for or renews a special license under this section shall pay respectively the special license fee or special license renewal fee specified in this chapter.

Sec. 10. (Deleted by amendment.)

Sec. 10.5. NRS 633.434 is hereby amended to read as follows:

633.434 The Board shall adopt regulations regarding the licensure of a physician assistant, including, without limitation:

- 1. The educational and other qualifications of applicants.
- 2. The required academic program for applicants.
- 3. The procedures for applications for and the issuance of licenses.

4. *The procedures deemed necessary by the Board for applications for and the issuance of initial licenses by endorsement pursuant to section 7 of this act.*

5. The tests or examinations of applicants by the Board.

~~{5.}~~ 6. The medical services which a physician assistant may perform, except that a physician assistant may not perform osteopathic manipulative therapy or those specific functions and duties delegated or restricted by law to persons licensed as dentists, chiropractors, doctors of Oriental medicine, podiatric physicians, optometrists and hearing aid specialists under chapters 631, 634, 634A, 635, 636 and 637A, respectively, of NRS.

~~{6.}~~ 7. The grounds and procedures respecting disciplinary actions against physician assistants.

~~{7.}~~ 8. The supervision of medical services of a physician assistant by a supervising osteopathic physician.

Sec. 11. Chapter 635 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Except as otherwise provided in NRS 635.073, the Board may issue a license by endorsement to practice podiatry to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice podiatry in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice podiatry; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;*

(b) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(c) *A fee in the amount of the fee for an application for a license required pursuant to paragraph (a) of subsection 3 of NRS 635.050; and*

(d) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement to practice podiatry pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the*

application and issue a license by endorsement to practice podiatry to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to practice podiatry may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 12. NRS 635.050 is hereby amended to read as follows:

635.050 1. Any person wishing to practice podiatry in this State must, before beginning to practice, procure from the Board a license to practice podiatry.

2. ~~{A}~~ **Except as otherwise provided in section 11 of this act, a** license to practice podiatry may be issued by the Board to any person who:

(a) Is of good moral character.

(b) Is a citizen of the United States or is lawfully entitled to remain and work in the United States.

(c) Has received the degree of D.P.M., Doctor of Podiatric Medicine, from an accredited school of podiatry.

(d) Has completed a residency approved by the Board.

(e) Has passed the examination given by the National Board of Podiatric Medical Examiners.

(f) Has not committed any act described in subsection 2 of NRS 635.130. For the purposes of this paragraph, an affidavit signed by the applicant stating that the applicant has not committed any act described in subsection 2 of NRS 635.130 constitutes satisfactory proof.

3. An applicant for a license to practice podiatry must submit to the Board or a committee thereof pursuant to such regulations as the Board may adopt:

(a) The fee for an application for a license , **including a license by endorsement**, of not more than \$600;

(b) Proof satisfactory to the Board that the requirements of subsection 2 have been met; and

(c) All other information required by the Board to complete an application for a license.

➡ The Board shall, by regulation, establish the fee required to be paid pursuant to this subsection.

4. The Board may reject an application if it appears that the applicant's credentials are fraudulent or the applicant has practiced podiatry without a license or committed any act described in subsection 2 of NRS 635.130.

5. The Board may require such further documentation or proof of qualification as it may deem proper.

6. The provisions of this section do not apply to a person who applies for:

(a) A limited license to practice podiatry pursuant to NRS 635.075; or

(b) A provisional license to practice podiatry pursuant to NRS 635.082.

Sec. 13. NRS 635.065 is hereby amended to read as follows:

635.065 1. In addition to the other requirements for licensure set forth in this chapter, an applicant for a license to practice podiatry in this State who

has been licensed to practice podiatry in another state or the District of Columbia must submit:

(a) An affidavit signed by the applicant that:

(1) Identifies each jurisdiction in which the applicant has been licensed to practice; and

(2) States whether a disciplinary proceeding has ever been instituted against the applicant by the licensing board of that jurisdiction and, if so, the status of the proceeding; and

(b) If the applicant is currently licensed to practice podiatry in another state or the District of Columbia, a certificate from the licensing board of that jurisdiction stating that the applicant is in good standing and no disciplinary proceedings are pending against the applicant.

2. ~~{The}~~ ***Except as otherwise provided in section 11 of this act, the*** Board may require an applicant who has been licensed to practice podiatry in another state or the District of Columbia to:

(a) Pass an examination prescribed by the Board concerning the provisions of this chapter and any regulations adopted pursuant thereto; or

(b) Submit satisfactory proof that:

(1) The applicant maintained an active practice in another state or the District of Columbia within the 5 years immediately preceding the application;

(2) No disciplinary proceeding has ever been instituted against the applicant by a licensing board in any jurisdiction in which he or she is licensed to practice podiatry; and

(3) The applicant has participated in a program of continuing education that is equivalent to the program of continuing education that is required pursuant to NRS 635.115 for podiatric physicians licensed in this State.

Sec. 13.93. Chapter 637A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice as a hearing aid specialist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice as a hearing aid specialist in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice as a hearing aid specialist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a hearing aid specialist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a hearing aid specialist to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to practice as a hearing aid specialist may be issued at a meeting of the Board or between its meetings by the Chair. Such an action shall be deemed to be an action of the Board.

Sec. 13.96. NRS 637A.160 is hereby amended to read as follows:

637A.160 1. ~~Subject to the provisions of~~ **Except as otherwise provided in NRS 637A.170, and section 13.93 of this act,** any person who intends to commence business as a hearing aid specialist must comply with the following requirements:

(a) Make application for examination.

(b) Take and pass the examination.

(c) Pay the prescribed fees, including the annual license fee and the initial license fee prescribed in NRS 637A.210.

(d) Submit all information required to complete the application.

2. The license must be issued and delivered by the Secretary to the licensee therein named upon compliance by the licensee with the requirements prescribed in subsection 1.

Sec. 13.99. NRS 637A.210 is hereby amended to read as follows:

637A.210 The Board shall charge fees which must not exceed the following:

For a license as a hearing aid specialist:

Application fee	\$250
Examination fee.....	200
Initial license fee, <u>including a license by endorsement</u>	100
Annual license fee	200
Duplicate license fee	20
Inactive status fee	100

For a license as an apprentice to a hearing aid specialist:

Application fee	\$250
Annual license fee	100

Inactive status fee 100

For all licenses issued by the Board:

Lapsed renewal fee \$100

Reinstatement fee 100

Sec. 14. Chapter 637B of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to engage in the practice of audiology or speech pathology to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to engage in the practice of audiology or speech pathology, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to engage in the practice of audiology or speech pathology, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to engage in the practice of audiology or speech pathology pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to engage in the practice of audiology or speech pathology, as applicable, to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to engage in the practice of audiology or speech pathology may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 15. NRS 637B.160 is hereby amended to read as follows:

637B.160 1. ~~[An]~~ ***Except as otherwise provided in section 14 of this act, an*** applicant for a license to engage in the practice of audiology or speech pathology must be issued a license by the Board if the applicant:

- (a) Is over the age of 21 years;
- (b) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;
- (c) Is of good moral character;
- (d) Meets the requirements for education or training and experience provided by subsection 2;
- (e) Has completed at least 300 clock hours of supervised clinical experience in audiology or speech pathology, or both;
- (f) Applies for the license in the manner provided by the Board;
- (g) Passes any examination required by this chapter;
- (h) Pays the fees provided for in this chapter; and
- (i) Submits all information required to complete an application for a license.

2. An applicant must possess a master's degree in audiology or in speech pathology from an accredited educational institution or possess equivalent training and experience. If an applicant seeks to qualify on the basis of equivalent training and experience, the applicant must submit to the Board satisfactory evidence that he or she has obtained at least 60 semester credits, or equivalent quarter credits, in courses related to the normal development, function and use of speech and language or hearing, including, but not limited to, the management of disorders of speech or hearing and the legal, professional and ethical practices of audiology or speech pathology. At least 24 of the 60 credits, excluding any credits obtained for a thesis or dissertation, must have been obtained for courses directly relating to audiology or speech pathology.

Sec. 16. NRS 637B.230 is hereby amended to read as follows:

637B.230 1. The Board shall charge and collect only the following fees whose amounts must be determined by the Board, but may not exceed:

Application fee for a license to practice speech pathology , <i>including a license by endorsement</i>	\$100
Application fee for a license to practice audiology , <i>including a license by endorsement</i>	100
Annual fee for the renewal of a license	50
Reinstatement fee	75

2. All fees are payable in advance and may not be refunded.

Sec. 17. Chapter 639 of NRS is hereby amended by adding thereto the provisions set forth as sections 18 and 19 of this act.

Sec. 18. 1. *The Board may issue a certificate by endorsement as a registered pharmacist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted*

certificate as a registered pharmacist in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a registered pharmacist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as a registered pharmacist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a registered pharmacist to the applicant not later than 45 days after receiving the application.

4. A certificate by endorsement as a registered pharmacist may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 19. 1. The Board may issue a license by endorsement to conduct a pharmacy to an applicant who is a natural person and who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to conduct a pharmacy in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to conduct a pharmacy; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct; and

(c) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to conduct a pharmacy pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to conduct a pharmacy to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to conduct a pharmacy may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 20. NRS 639.015 is hereby amended to read as follows:

639.015 “Registered pharmacist” means:

1. A person registered in this State as such on July 1, 1947;
2. A person registered in this State as such in compliance with the provisions of paragraph (c) of section 3 of chapter 195, Statutes of Nevada 1951; or

3. A person who has complied with the provisions of NRS 639.120 , **639.134 or section 18 of this act** and whose name has been entered in the registry of pharmacists of this State by the Executive Secretary of the Board and to whom a valid certificate **or certificate by endorsement** as a registered pharmacist or valid renewal thereof has been issued by the Board.

Sec. 21. NRS 639.120 is hereby amended to read as follows:

639.120 1. ~~{An}~~ **Except as otherwise provided in NRS 639.134 and section 18 of this act, an** applicant to become a registered pharmacist in this State must:

(a) Be of good moral character.

(b) Be a graduate of a college of pharmacy or department of pharmacy of a university accredited by the Accreditation Council for Pharmacy Education or Canadian Council for Accreditation of Pharmacy Programs and approved by the Board or a graduate of a foreign school who has passed an examination for foreign graduates approved by the Board to demonstrate that his or her education is equivalent.

(c) Except as otherwise provided in NRS 622.090:

(1) Pass an examination approved and given by the Board with a grade of at least 75 on the examination as a whole and a grade of at least 75 on the examination on law.

(2) If he or she is an applicant for registration by reciprocity, pass the examination on law with at least a grade of 75.

(d) Complete not less than 1,500 hours of practical pharmaceutical experience as an intern pharmacist under the direct and immediate supervision of a registered pharmacist.

2. The practical pharmaceutical experience required pursuant to paragraph (d) of subsection 1 must relate primarily to the selling of drugs, poisons and devices, the compounding and dispensing of prescriptions, preparing prescriptions and keeping records and preparing reports required by state and federal statutes.

3. The Board may accept evidence of compliance with the requirements set forth in paragraph (d) of subsection 1 from boards of pharmacy of other states in which the experience requirement is equivalent to the requirements in this State.

Sec. 22. NRS 639.127 is hereby amended to read as follows:

639.127 1. An applicant for registration as a pharmacist in this State must submit an application to the Executive Secretary of the Board on a form furnished by the Board and must pay the fee fixed by the Board. The fee must be paid at the time the application is submitted and is compensation to the Board for the investigation and the examination of the applicant. Under no circumstances may the fee be refunded.

2. Proof of the qualifications of any applicant must be made to the satisfaction of the Board and must be substantiated by affidavits, records or such other evidence as the Board may require.

3. An application is only valid for 1 year after the date it is received by the Board unless the Board extends its period of validity.

4. A certificate of registration as a pharmacist must be issued to each person who the Board determines is qualified pursuant to the provisions of NRS 639.120 and 639.134 ~~1-1~~ **and section 18 of this act**. The certificate entitles the person to whom it is issued to practice pharmacy in this State.

Sec. 23. NRS 639.170 is hereby amended to read as follows:

639.170 1. The Board shall charge and collect not more than the following fees for the following services:

For the examination of an applicant for registration as a pharmacist	Actual cost of the examination
For the investigation or registration of an applicant as a registered pharmacist , including a certificate by endorsement	\$200
For the investigation, examination or registration of an applicant as a registered pharmacist by reciprocity.....	300
For the investigation or issuance of an original license to conduct a retail pharmacy , including a license by endorsement	600

For the biennial renewal of a license to conduct a retail pharmacy.....	500
For the investigation or issuance of an original license to conduct an institutional pharmacy , including a license by endorsement	600
For the biennial renewal of a license to conduct an institutional pharmacy.....	500
For the issuance of an original or duplicate certificate of registration as a registered pharmacist , including a certificate by endorsement	50
For the biennial renewal of registration as a registered pharmacist	200
For the reinstatement of a lapsed registration (in addition to the fees for renewal for the period of lapse).....	100
For the initial registration of a pharmaceutical technician or pharmaceutical technician in training	50
For the biennial renewal of registration of a pharmaceutical technician or pharmaceutical technician in training.....	50
For the investigation or registration of an intern pharmacist	50
For the biennial renewal of registration as an intern pharmacist	40
For investigation or issuance of an original license to a manufacturer or wholesaler	500
For the biennial renewal of a license for a manufacturer or wholesaler.....	500
For the reissuance of a license issued to a pharmacy, when no change of ownership is involved, but the license must be reissued because of a change in the information required thereon.....	100
For authorization of a practitioner to dispense controlled substances or dangerous drugs, or both.....	300
For the biennial renewal of authorization of a practitioner to dispense controlled substances or dangerous drugs, or both	300

2. ***If an applicant submits an application for a certificate of registration or license by endorsement pursuant to section 18 or 19 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1, respectively, for:***

(a) ***The initial registration and issuance of an original certificate of registration as a registered pharmacist.***

(b) ***The issuance of an original license to conduct a retail or an institutional pharmacy.***

3. If a person requests a special service from the Board or requests the Board to convene a special meeting, the person must pay the actual costs to the Board as a condition precedent to the rendition of the special service or the convening of the special meeting.

~~{3-}~~ 4. All fees are payable in advance and are not refundable.

~~{4-}~~ 5. The Board may, by regulation, set the penalty for failure to pay the fee for renewal for any license, permit, authorization or certificate within the statutory period, at an amount not to exceed 100 percent of the fee for renewal for each year of delinquency in addition to the fees for renewal for each year of delinquency.

Sec. 24. NRS 639.231 is hereby amended to read as follows:

639.231 1. An application to conduct a pharmacy must be made on a form furnished by the Board and must state the name, address, usual occupation and professional qualifications, if any, of the applicant. If the applicant is other than a natural person, the application must state such information as to each person beneficially interested therein.

2. As used in subsection 1, and subject to the provisions of subsection 3, the term “person beneficially interested” means:

(a) If the applicant is a partnership or other unincorporated association, each partner or member.

(b) If the applicant is a corporation, each of its officers, directors and stockholders, provided that no natural person shall be deemed to be beneficially interested in a nonprofit corporation.

3. If the applicant is a partnership, unincorporated association or corporation and the number of partners, members or stockholders, as the case may be, exceeds four, the application must so state, and must list each of the four partners, members or stockholders who own the four largest interests in the applicant entity and state their percentages of interest. Upon request of the Executive Secretary of the Board, the applicant shall furnish the Board with information as to partners, members or stockholders not named in the application or shall refer the Board to an appropriate source of such information.

4. The completed application form must be returned to the Board with the fee prescribed by the Board, which may not be refunded. ~~{Any}~~ **Except as otherwise provided in section 19 of this act, any** application which is not complete as required by the provisions of this section may not be presented to the Board for consideration.

5. ~~{Upon}~~ **Except as otherwise provided in section 19 of this act, upon** compliance with all the provisions of this section and upon approval of the application by the Board, the Executive Secretary shall issue a license to the applicant to conduct a pharmacy. Any other provision of law notwithstanding, such a license authorizes the holder to conduct a pharmacy and to sell and dispense drugs and poisons and devices and appliances that are restricted by federal law to sale by or on the order of a physician.

Sec. 25. Chapter 640 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement as a physical therapist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a physical therapist in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a physical therapist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 640.090;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) A fee in the amount of the fee set by a regulation of the Board pursuant to subsection 3 of NRS 640.090 for an application for a license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as a physical therapist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a physical therapist to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, whichever occurs later.

4. A license by endorsement as a physical therapist may be issued at a meeting of the Board or between its meetings by the Chair of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 26. NRS 640.080 is hereby amended to read as follows:

640.080 ~~{To}~~ Except as otherwise provided in section 25 of this act, to be eligible for licensure by the Board as a physical therapist, an applicant must:

1. Be of good moral character;
2. Have graduated from a school in which he or she completed a curriculum of physical therapy approved by the Board; and
3. Pass to the satisfaction of the Board an examination designated by the Board, unless he or she is entitled to licensure without examination as provided in NRS 640.120 or 640.140.

Sec. 27. NRS 640.090 is hereby amended to read as follows:

640.090 Unless he or she is entitled to licensure under NRS 640.120 or 640.140, **or section 25 of this act**, a person who desires to be licensed as a physical therapist must:

1. Apply to the Board, in writing, on a form furnished by the Board;
2. Include in the application evidence, under oath, satisfactory to the Board, that the person possesses the qualifications required by NRS 640.080 other than having passed the examination;
3. Pay to the Board at the time of filing the application a fee set by a regulation of the Board in an amount not to exceed \$300;
4. Submit to the Board with the application a complete set of fingerprints which the Board may forward to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;
5. Submit other documentation and proof the Board may require; and
6. Submit all other information required to complete the application.

Sec. 28. Chapter 640A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement as an occupational therapist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as an occupational therapist in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

- (1) Satisfies the requirements of subsection 1;**
- (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;**
- (3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as an occupational therapist; and**
- (4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;**

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) A fee in the amount of the fee set by a regulation of the Board pursuant to NRS 640A.190 for the initial issuance of a license; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as an occupational therapist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as an occupational therapist to the applicant not later than 45 days after receiving the application.

4. A license by endorsement as an occupational therapist may be issued at a meeting of the Board or between its meetings by the Chair of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 29. NRS 640A.120 is hereby amended to read as follows:

640A.120 ~~{T}~~ *Except as otherwise provided in section 28 of this act, to be eligible for licensing by the Board as an occupational therapist or occupational therapy assistant, an applicant must:*

1. Be a natural person of good moral character.

2. Except as otherwise provided in NRS 640A.130, have satisfied the academic requirements of an educational program approved by the Board. The Board shall not approve an educational program designed to qualify a person to practice as an occupational therapist or an occupational therapy assistant unless the program is accredited by the Accreditation Council for Occupational Therapy Education of the American Occupational Therapy Association, Inc., or its successor organization.

3. Except as otherwise provided in NRS 640A.130, have successfully completed:

(a) If the application is for licensing as an occupational therapist, 24 weeks; or

(b) If the application is for licensing as an occupational therapy assistant, 16 weeks,

↪ of supervised fieldwork experience approved by the Board. The Board shall not approve any supervised experience unless the experience was sponsored by the American Occupational Therapy Association, Inc., or its successor organization, or the educational institution at which the applicant satisfied the requirements of subsection 2.

4. Except as otherwise provided in NRS 640A.160 and 640A.170, pass an examination approved by the Board.

Sec. 30. NRS 640A.140 is hereby amended to read as follows:

640A.140 *1. {A} Except as otherwise provided in section 28 of this act, a person who desires to be licensed by the Board as an occupational therapist or occupational therapy assistant must:*

(a) Submit an application to the Board on a form furnished by the Board; and

(b) Provide evidence satisfactory to the Board that he or she possesses the qualifications required pursuant to subsections 1, 2 and 3 of NRS 640A.120.

2. The application must include all information required to complete the application.

Sec. 31. NRS 640A.190 is hereby amended to read as follows:

640A.190 1. The Board may by regulation establish reasonable fees for:

- (a) The examination of an applicant for a license;
- (b) The initial issuance of a license ~~to~~ , **including a license by endorsement;**
- (c) The issuance of a temporary license;
- (d) The renewal of a license; and
- (e) The late renewal of a license.

2. The fees must be set in such an amount as to reimburse the Board for the cost of carrying out the provisions of this chapter.

Sec. 32. Chapter 640C of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice massage therapy to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to practice massage therapy in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

- (1) Satisfies the requirements of subsection 1;**
- (2) Is a citizen of the United States or otherwise has the legal right to work in the United States;**

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to practice massage therapy; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 640C.400;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 640C.520 for the application for and initial issuance of a license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice massage therapy pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the

Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice massage therapy to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints, whichever occurs later.

4. A license by endorsement to practice massage therapy may be issued at a meeting of the Board or between its meetings by the Chair and Executive Director of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 33. NRS 640C.400 is hereby amended to read as follows:

640C.400 1. The Board may issue a license to practice massage therapy.

2. An applicant for a license must:

(a) Be at least 18 years of age;

(b) ~~Submit~~ ***Except as otherwise provided in section 32 of this act, submit*** to the Board:

(1) A completed application on a form prescribed by the Board;

(2) The fees prescribed by the Board pursuant to NRS 640C.520;

(3) Proof that the applicant has successfully completed a program of massage therapy recognized by the Board;

(4) A certified statement issued by the licensing authority in each state, territory or possession of the United States or the District of Columbia in which the applicant is or has been licensed to practice massage therapy verifying that:

(I) The applicant has not been involved in any disciplinary action relating to his or her license to practice massage therapy; and

(II) Disciplinary proceedings relating to his or her license to practice massage therapy are not pending;

(5) Except as otherwise provided in NRS 640C.440, a complete set of fingerprints and written permission authorizing the Board to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report;

(6) The names and addresses of five natural persons not related to the applicant and not business associates of the applicant who are willing to serve as character references;

(7) A statement authorizing the Board or its designee to conduct an investigation to determine the accuracy of any statements set forth in the application; and

(8) If required by the Board, a financial questionnaire; and

(c) In addition to any examination required pursuant to NRS 640C.320 ~~and~~ ***and except as otherwise provided in section 32 of this act:***

(1) Except as otherwise provided in subsection 3, pass a written examination administered by any board that is accredited by the National Commission for Certifying Agencies, or its successor organization, to examine massage therapists; or

(2) At the applicant's discretion and in lieu of a written examination, pass an oral examination prescribed by the Board.

3. If the Board determines that the examinations being administered pursuant to subparagraph (1) of paragraph (c) of subsection 2 are inadequately testing the knowledge and competency of applicants, the Board shall prepare or cause to be prepared its own written examination to test the knowledge and competency of applicants. Such an examination must be offered not less than four times each year. The location of the examination must alternate between Clark County and Washoe County. Upon request, the Board must provide a list of approved interpreters at the location of the examination to interpret the examination for an applicant who, as determined by the Board, requires an interpreter for the examination.

4. The Board shall recognize a program of massage therapy that is:

- (a) Approved by the Commission on Postsecondary Education; or
- (b) Offered by a public college in this State or any other state.

↪ The Board may recognize other programs of massage therapy.

5. ~~The~~ ***Except as otherwise provided in section 32 of this act, the*** Board or its designee shall:

(a) Conduct an investigation to determine:

- (1) The reputation and character of the applicant;
- (2) The existence and contents of any record of arrests or convictions of the applicant;

(3) The existence and nature of any pending litigation involving the applicant that would affect his or her suitability for licensure; and

(4) The accuracy and completeness of any information submitted to the Board by the applicant;

(b) If the Board determines that it is unable to conduct a complete investigation, require the applicant to submit a financial questionnaire and investigate the financial background and each source of funding of the applicant;

(c) Report the results of the investigation of the applicant within the period the Board establishes by regulation pursuant to NRS 640C.320; and

(d) Except as otherwise provided in NRS 239.0115, maintain the results of the investigation in a confidential manner for use by the Board and its members and employees in carrying out their duties pursuant to this chapter. The provisions of this paragraph do not prohibit the Board or its members or employees from communicating or cooperating with or providing any documents or other information to any other licensing board or any other federal, state or local agency that is investigating a person, including, without limitation, a law enforcement agency.

Sec. 34. Chapter 641 of NRS is hereby amended by adding thereto the provisions set forth as sections 35 and 36 of this act.

Sec. 35. 1. *The Board may issue a license by endorsement as a psychologist or behavior analyst to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application*

for such a license if the applicant holds a corresponding valid and unrestricted license as a psychologist or behavior analyst, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a psychologist or behavior analyst, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641.160;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fee prescribed by the Board pursuant to NRS 641.370 for the issuance of an initial license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as a psychologist or behavior analyst pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a psychologist or behavior analyst, as applicable, to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement as a psychologist or behavior analyst may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 36. 1. The Board may issue a certificate by endorsement as an autism behavior interventionist to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as an autism behavior interventionist in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as an autism behavior interventionist; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) The fee prescribed by the Board pursuant to NRS 641.370 for the issuance of an initial certificate; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as an autism behavior interventionist pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as an autism behavior interventionist to the applicant not later than 45 days after receiving the application.

4. A certificate by endorsement as an autism behavior interventionist may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 37. NRS 641.170 is hereby amended to read as follows:

641.170 1. ~~Each~~ **Except as otherwise provided in section 35 of this act, each** application for licensure as a psychologist must be accompanied by evidence satisfactory to the Board that the applicant:

(a) Is at least 21 years of age.

(b) Is of good moral character as determined by the Board.

(c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.

(d) Has earned a doctorate in psychology from an accredited educational institution approved by the Board, or has other doctorate-level training from an accredited educational institution deemed equivalent by the Board in both subject matter and extent of training.

(e) Has at least 2 years of experience satisfactory to the Board, 1 year of which must be postdoctoral experience in accordance with the requirements established by regulations of the Board.

2. ~~Each~~ ***Except as otherwise provided in section 35 of this act, each*** application for licensure as a behavior analyst must be accompanied by evidence satisfactory to the Board that the applicant:

- (a) Is at least 21 years of age.
- (b) Is of good moral character as determined by the Board.
- (c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.
- (d) Has earned a master's degree from an accredited college or university in a field of social science or special education and holds a current certification as a Board Certified Behavior Analyst by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.
- (e) Has completed other education, training or experience in accordance with the requirements established by regulations of the Board.
- (f) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.

3. Each application for licensure as an assistant behavior analyst must be accompanied by evidence satisfactory to the Board that the applicant:

- (a) Is at least 21 years of age.
- (b) Is of good moral character as determined by the Board.
- (c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.
- (d) Has earned a bachelor's degree from an accredited college or university in a field of social science or special education approved by the Board and holds a current certification as a Board Certified Behavior Analyst by the Behavior Analyst Certification Board, Inc., or any successor in interest to that organization.
- (e) Has completed other education, training or experience in accordance with the requirements established by regulations of the Board.
- (f) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.

4. ~~Within~~ ***Except as otherwise provided in section 35 of this act, within*** 120 days after receiving an application and the accompanying evidence from an applicant, the Board shall:

- (a) Evaluate the application and accompanying evidence and determine whether the applicant is qualified pursuant to this section for licensure; and
- (b) Issue a written statement to the applicant of its determination.

5. The written statement issued to the applicant pursuant to subsection 4 must include:

- (a) If the Board determines that the qualifications of the applicant are insufficient for licensure, a detailed explanation of the reasons for that determination.
- (b) If the applicant for licensure as a psychologist has not earned a doctorate in psychology from an accredited educational institution approved by the Board and the Board determines that the doctorate-level training from an

accredited educational institution is not equivalent in subject matter and extent of training, a detailed explanation of the reasons for that determination.

Sec. 38. NRS 641.172 is hereby amended to read as follows:

641.172 1. ~~Each~~ **Except as otherwise provided in section 36 of this act, each** application for certification as an autism behavior interventionist must be accompanied by evidence satisfactory to the Board that the applicant:

- (a) Is at least 18 years of age.
- (b) Is of good moral character as determined by the Board.
- (c) Is a citizen of the United States, or is lawfully entitled to remain and work in the United States.
- (d) Has completed satisfactorily a written examination in Nevada law and ethical practice as administered by the Board.
- (e) Has completed satisfactorily a standardized practical examination developed and approved by the Board. The examination must be conducted by the applicant's supervisor, who shall make a videotape or other audio and visual recording of the applicant's performance of the examination for submission to the Board. The Board may review the recording as part of its evaluation of the applicant's qualifications.

2. ~~Within~~ **Except as otherwise provided in section 36 of this act, within** 120 days after receiving an application and the accompanying evidence from an applicant, the Board shall:

- (a) Evaluate the application and accompanying evidence and determine whether the applicant is qualified pursuant to this section for certification as an autism behavior interventionist; and
- (b) Issue a written statement to the applicant of its determination.

3. If the Board determines that the qualifications of the applicant are insufficient for certification, the written statement issued to the applicant pursuant to subsection 2 must include a detailed explanation of the reasons for that determination.

Sec. 39. NRS 641.180 is hereby amended to read as follows:

641.180 1. Except as otherwise provided in this section and NRS 641.190, **and section 35 of this act**, each applicant for a license as a psychologist must pass the national examination. In addition to the national examination, the Board may require an examination in whatever applied or theoretical fields it deems appropriate.

2. The Board shall notify each applicant of the results of the national examination and any other examination required pursuant to subsection 1.

3. The Board may waive the requirement of the national examination for a person who:

- (a) Is licensed in another state;
- (b) Has at least 10 years' experience; and
- (c) Is a diplomate in the American Board of Professional Psychology or a fellow in the American Psychological Association, or who has other equivalent status as determined by the Board.

Sec. 40. NRS 641.370 is hereby amended to read as follows:

641.370 1. The Board shall charge and collect not more than the following fees respectively:

For the national examination, in addition to the actual cost to the Board of the examination	\$100
For any other examination required pursuant to the provisions of subsection 1 of NRS 641.180, in addition to the actual costs to the Board of the examination	100
For the issuance of an initial license or certificate , including a license or certificate by endorsement	25
For the biennial renewal of a license of a psychologist.....	500
For the biennial renewal of a license of a licensed behavior analyst	400
For the biennial renewal of a license of a licensed assistant behavior analyst	275
For the biennial renewal of a certificate of a certified autism behavior interventionist.....	175
For the restoration of a license suspended for the nonpayment of the biennial fee for the renewal of a license	100
For the registration of a firm, partnership or corporation which engages in or offers to engage in the practice of psychology	300
For the registration of a nonresident to practice as a consultant.....	100

2. An applicant who passes the national examination and any other examination required pursuant to the provisions of subsection 1 of NRS 641.180 and who is eligible for a license as a psychologist shall pay the biennial fee for the renewal of a license, which must be prorated for the period from the date the license is issued to the end of the biennium.

3. An applicant who passes the examination and is eligible for a license as a behavior analyst or assistant behavior analyst or a certificate as a autism behavior interventionist shall pay the biennial fee for the renewal of a license or certificate, which must be prorated for the period from the date the license or certificate is issued to the end of the biennium.

4. ~~Not~~ **Except as otherwise provided in subsection 5 and sections 35 and 36 of this act, in** addition to the fees set forth in subsection 1, the Board may charge and collect a fee for the expedited processing of a request or for any other incidental service it provides. The fee must not exceed the cost to provide the service.

5. **If an applicant submits an application for a license or certificate by endorsement pursuant to section 35 or 36 of this act, as applicable, the Board shall charge and collect not more than the fee specified in subsection 1 for the issuance of an initial license or certificate.**

Sec. 41. Chapter 641A of NRS is hereby amended by adding thereto a new section to read as follows:

1. The Board may issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor to an

applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a marriage and family therapist or clinical professional counselor, as applicable, in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a marriage and family therapist or clinical professional counselor, as applicable; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(c) The fees prescribed by the Board pursuant to NRS 641A.290 for the application for and initial issuance of a license; and

(d) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement to practice as a marriage and family therapist or clinical professional counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to practice as a marriage and family therapist or clinical professional counselor, as applicable, to the applicant not later than 45 days after receiving the application.

4. A license by endorsement to practice as a marriage and family therapist or clinical professional counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 42. NRS 641A.220 is hereby amended to read as follows:

641A.220 ~~Each~~ **Except as otherwise provided in section 41 of this act,** *each* applicant for a license to practice as a marriage and family therapist must furnish evidence satisfactory to the Board that the applicant:

1. Is at least 21 years of age;

2. Is of good moral character;

3. Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;

4. Has completed residency training in psychiatry from an accredited institution approved by the Board, has a graduate degree in marriage and family therapy, psychology or social work from an accredited institution approved by the Board or has completed other education and training which is deemed equivalent by the Board;

5. Has:

(a) At least 2 years of postgraduate experience in marriage and family therapy; and

(b) At least 3,000 hours of supervised experience in marriage and family therapy, of which at least 1,500 hours must consist of direct contact with clients; and

6. Holds an undergraduate degree from an accredited institution approved by the Board.

Sec. 43. NRS 641A.230 is hereby amended to read as follows:

641A.230 1. Except as otherwise provided in subsection 2 ~~and~~ **section 41 of this act**, each qualified applicant for a license to practice as a marriage and family therapist must pass a written examination given by the Board on his or her knowledge of marriage and family therapy. Examinations must be given at a time and place and under such supervision as the Board may determine.

2. The Board shall accept receipt of a passing grade by a qualified applicant on the national examination sponsored by the Association of Marital and Family Therapy Regulatory Boards in lieu of requiring a written examination pursuant to subsection 1.

3. In addition to the requirements of subsections 1 and 2, the Board may require an oral examination. The Board may examine applicants in whatever applied or theoretical fields it deems appropriate.

Sec. 44. NRS 641A.231 is hereby amended to read as follows:

641A.231 ~~Each~~ **Except as otherwise provided in section 41 of this act**, **each** applicant for a license to practice as a clinical professional counselor must furnish evidence satisfactory to the Board that the applicant:

1. Is at least 21 years of age;

2. Is of good moral character;

3. Is a citizen of the United States, or is lawfully entitled to remain and work in the United States;

4. Has:

(a) Completed residency training in psychiatry from an accredited institution approved by the Board;

(b) A graduate degree from a program approved by the Council for Accreditation of Counseling and Related Educational Programs as a program in mental health counseling or community counseling; or

(c) An acceptable degree as determined by the Board which includes the completion of a practicum and internship in mental health counseling which was taken concurrently with the degree program and was supervised by a licensed mental health professional; and

5. Has:

(a) At least 2 years of postgraduate experience in professional counseling;

(b) At least 3,000 hours of supervised experience in professional counseling which includes, without limitation:

(1) At least 1,500 hours of direct contact with clients; and

(2) At least 100 hours of counseling under the direct supervision of an approved supervisor of which at least 1 hour per week was completed for each work setting at which the applicant provided counseling; and

(c) Passed the National Clinical Mental Health Counseling Examination which is administered by the National Board for Certified Counselors.

Sec. 45. Chapter 641B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board may issue a license by endorsement to engage in social work to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license to engage in social work in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license to engage in social work; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;*

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641B.202;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct; and*

(d) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement to engage in social work pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement to engage in social work to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*

↪ *whichever occurs later.*

4. A license by endorsement to engage in social work may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 46. NRS 641B.250 is hereby amended to read as follows:

641B.250 1. Except as otherwise provided in NRS **641B.270 and 641B.275, and section 45 of this act**, before the issuance of a license, each applicant, otherwise eligible for licensure, who has paid the fee and presented the required credentials, other than an applicant for a license to engage in social work as an associate in social work, must appear personally and pass an examination concerning his or her knowledge of the practice of social work.

2. Any such examination must be fair and impartial, practical in character with questions designed to discover the applicant's fitness.

3. The Board may employ specialists and other professional consultants or examining services in conducting the examination.

4. The member of the Board who is the representative of the general public shall not participate in the grading of the examination.

5. The Board shall examine applicants for licensure at least twice a year.

Sec. 47. NRS 641B.300 is hereby amended to read as follows:

641B.300 **1.** The Board shall charge and collect fees not to exceed the following amounts for:

Initial application.....	\$40
Provisional license.....	75
Initial issuance of a license , including a license by endorsement	100
Annual renewal of a license	150
Restoration of a suspended license or reinstatement of a revoked license.....	150
Restoration of an expired license	200
Renewal of a delinquent license	100
Reciprocal license without examination.....	100

2. If an applicant submits an application for a license by endorsement pursuant to section 45 of this act, the Board shall charge and collect not more than the fees specified in subsection 1 for the initial application for and initial issuance of a license.

Sec. 48. Chapter 641C of NRS is hereby amended by adding thereto the provisions set forth as sections 49 to 53, inclusive, of this act.

Sec. 49. 1. The Board may issue a license by endorsement as a clinical alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as a clinical alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as a clinical alcohol and drug abuse counselor; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial license; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a license by endorsement as a clinical alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as a clinical alcohol and drug abuse counselor to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,

↪ whichever occurs later.

4. A license by endorsement as a clinical alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 50. 1. The Board may issue a license by endorsement as an alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a license if the applicant holds a corresponding valid and unrestricted license as an alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a license by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a license as an alcohol and drug abuse counselor; and*

(4) *Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;*

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(d) *The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial license; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a license by endorsement as an alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a license by endorsement as an alcohol and drug abuse counselor to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*
 ➤ *whichever occurs later.*

4. *A license by endorsement as an alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 51. 1. *The Board may issue a certificate by endorsement as an alcohol and drug abuse counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as an alcohol and drug abuse counselor in the District of Columbia or any state or territory of the United States.*

2. *An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:*

(a) *Proof satisfactory to the Board that the applicant:*

(1) *Satisfies the requirements of subsection 1;*

(2) *Is a citizen of the United States or otherwise has the legal right to work in the United States;*

(3) *Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in*

which the applicant holds a certificate as an alcohol and drug abuse counselor; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial certificate; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as an alcohol and drug abuse counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as an alcohol and drug abuse counselor to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
 ➡ *whichever occurs later.*

4. A certificate by endorsement as an alcohol and drug abuse counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 52. 1. The Board may issue a certificate by endorsement as a problem gambling counselor to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as a problem gambling counselor in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a problem gambling counselor; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided in NRS 641C.260;

(c) An affidavit stating that the information contained in the application and any accompanying material is true and correct;

(d) The fees prescribed by the Board pursuant to NRS 641C.470 for the initial application for and issuance of an initial certificate; and

(e) Any other information required by the Board.

3. Not later than 15 business days after receiving an application for a certificate by endorsement as a problem gambling counselor pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a problem gambling counselor to the applicant not later than:

(a) Forty-five days after receiving the application; or

(b) Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,
 ➡ *whichever occurs later.*

4. A certificate by endorsement as a problem gambling counselor may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.

Sec. 53. 1. Notwithstanding any regulations adopted pursuant to NRS 641C.500, the Board may issue a certificate by endorsement as a detoxification technician to an applicant who meets the requirements set forth in this section. An applicant may submit to the Board an application for such a certificate if the applicant holds a corresponding valid and unrestricted certificate as a detoxification technician in the District of Columbia or any state or territory of the United States.

2. An applicant for a certificate by endorsement pursuant to this section must submit to the Board with his or her application:

(a) Proof satisfactory to the Board that the applicant:

(1) Satisfies the requirements of subsection 1;

(2) Is a citizen of the United States or otherwise has the legal right to work in the United States;

(3) Has not been disciplined or investigated by the corresponding regulatory authority of the District of Columbia or the state or territory in which the applicant holds a certificate as a detoxification technician; and

(4) Has not been held civilly or criminally liable for malpractice in the District of Columbia or any state or territory of the United States more than once;

(b) *A complete set of fingerprints and written permission authorizing the Board to forward the fingerprints in the manner provided pursuant to NRS 641C.500;*

(c) *An affidavit stating that the information contained in the application and any accompanying material is true and correct;*

(d) *Any fee prescribed by the Board pursuant to NRS 641C.500 for the issuance of a certificate; and*

(e) *Any other information required by the Board.*

3. *Not later than 15 business days after receiving an application for a certificate by endorsement as a detoxification technician pursuant to this section, the Board shall provide written notice to the applicant of any additional information required by the Board to consider the application. Unless the Board denies the application for good cause, the Board shall approve the application and issue a certificate by endorsement as a detoxification technician to the applicant not later than:*

(a) *Forty-five days after receiving the application; or*

(b) *Ten days after the Board receives a report on the applicant's background based on the submission of the applicant's fingerprints,*

↪ whichever occurs later.

4. *A certificate by endorsement as a detoxification technician may be issued at a meeting of the Board or between its meetings by the President of the Board. Such an action shall be deemed to be an action of the Board.*

Sec. 54. NRS 641C.290 is hereby amended to read as follows:

641C.290 1. ~~Each~~ *Except as otherwise provided in section 49 of this act, each* applicant for a license as a clinical alcohol and drug abuse counselor must pass a written and oral examination concerning his or her knowledge of the clinical practice of counseling alcohol and drug abusers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

2. ~~Each~~ *Except as otherwise provided in section 50 or 51 of this act, each* applicant for a license or certificate as an alcohol and drug abuse counselor must pass a written and oral examination concerning his or her knowledge of the practice of counseling alcohol and drug abusers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

3. ~~Each~~ *Except as otherwise provided in section 52 of this act, each* applicant for a certificate as a problem gambling counselor must pass a written examination concerning his or her knowledge of the practice of counseling problem gamblers, the applicable provisions of this chapter and any applicable regulations adopted by the Board pursuant to the provisions of this chapter.

4. The Board shall:

(a) Examine applicants at least two times each year.

(b) Establish the time and place for the examinations.

(c) Provide such books and forms as may be necessary to conduct the examinations.

(d) Except as otherwise provided in NRS 622.090, establish, by regulation, the requirements for passing the examination.

5. The Board may employ other persons to conduct the examinations.

Sec. 55. NRS 641C.470 is hereby amended to read as follows:

641C.470 1. The Board shall charge and collect not more than the following fees:

For the initial application for a license or certificate , <i>including a license or certificate by endorsement</i>	\$150
For the issuance of a provisional license or certificate	125
For the issuance of an initial license or certificate , <i>including a license or certificate by endorsement</i>	60
For the renewal of a license or certificate as an alcohol and drug abuse counselor, a license as a clinical alcohol and drug abuse counselor or a certificate as a problem gambling counselor	300
For the renewal of a certificate as a clinical alcohol and drug abuse counselor intern, an alcohol and drug abuse counselor intern or a problem gambling counselor intern	75
For the renewal of a delinquent license or certificate	75
For the restoration of an expired license or certificate	150
For the restoration or reinstatement of a suspended or revoked license or certificate	300
For the issuance of a license or certificate without examination	150
For an examination	150
For the approval of a course of continuing education	150

2. *If an applicant submits an application for a license or certificate by endorsement pursuant to section 49, 50, 51 or 52 of this act, the Board shall charge and collect not more than the fees specified in subsection 1 for the initial application for and issuance of an initial license or certificate, as applicable.*

3. The fees charged and collected pursuant to this section are not refundable.

Sec. 56. This act becomes effective upon passage and approval.

Assemblywoman Seaman moved the adoption of the amendment.

Remarks by Assemblywomen Seaman and Carlton.

ASSEMBLYWOMAN SEAMAN:

Amendment 874 to Senate Bill 68 allows the Board of Hearing Aid Specialists to issue a license by endorsement to practice as a hearing aid specialist to an applicant licensed in good standing in another jurisdiction.

ASSEMBLYWOMAN CARLTON:

I rise in opposition to Amendment 874 to Senate Bill 68. I apologize to the Vice Chair of the Committee on Commerce and Labor. I had discussed this with the Chair before he left for the day, so I do not want the Assemblywoman from District 34 to think that I am trying to put her in an awkward position.

This amendment adds hearing aid specialists to the bill. It was discussed in the committee. We did not process it that day; it was the last day of bill passage. There are four different types of licensure for hearing aid specialists and with the proposal of the two boards joining together and being able to work forward, I think adding another burden on that board at this time is inappropriate and could cause problems. The whole idea behind the work that we have done with these two boards is to solve the problems. There is not an outcry of a shortage of hearing aid specialists. It does not seem to be a big issue in this state right now. This board is having issues. They have not even submitted their report from March and here we are at the end of May. I have real concerns about this amendment.

ASSEMBLYWOMAN SEAMAN:

I would like to withdraw my motion to adopt Amendment 874 to Senate Bill 68 until the Chair can speak to my colleague from the south.

Assemblywoman Seaman withdrew the motion to adopt Amendment No. 874 to Senate Bill No. 68.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 146.

Bill read second time.

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

Amendment No. 840.

AN ACT relating to wages; authorizing certain employers and employees to enter into a written agreement to exclude from an employee's wages payment for certain specified periods; **exempting certain employees from the requirement that an employer pay the employee overtime;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires an employer to pay an employee wages for each hour the employee works. (NRS 608.016) Existing federal regulations allow employees who work shifts of 24 hours or more to agree to not be paid for a sleeping period not to exceed 8 hours under certain circumstances. (29 C.F.R. § 785.22) ~~[[This]]~~ **Section 1.3 of this** bill provides that an employee who is employed in a certain residential facility and who works for 24 hours or more may agree to not be paid for a sleeping period not to exceed 8 hours if adequate sleeping facilities are provided by the employer.

Existing federal regulations authorize an employer and a domestic service employee who resides in the household of the employer for which he or she works to enter into an agreement to exclude certain periods from the calculation of the hours for which the employee is entitled to receive wages. (29 C.F.R. § 552.102) Section 1.7 of this bill authorizes an employer and a domestic service employee to enter into such an agreement consistent with federal law.

Existing state and federal laws provide certain exceptions to the requirement that an employer pay an employee overtime. (29 U.S.C. § 213(b)(21), NRS 608.018) Section 2.5 of this bill provides an exemption

under state law from these requirements for a domestic service employee who resides in the household in which he or she works.

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

Section 1. Chapter 608 of NRS is hereby amended by adding thereto ~~the new section to read as follows:~~ **the provisions set forth as sections 1.3 and 1.7 of this act.**

Sec. 1.3. 1. If an employee specified in paragraph (a) of subsection 3 is required to be on duty for 24 hours or more, the employer and employee may agree in writing to exclude from the employee's wages a regularly scheduled sleeping period not to exceed 8 hours if adequate sleeping facilities are furnished by the employer.

2. If the sleeping period is interrupted by any call for service by the employer, the interruption must be counted as hours worked. If the sleeping period is interrupted by any call for service by the employer to such an extent that the sleeping period is less than 5 hours, the employee must be paid for the entire sleeping period.

3. The provisions of subsections 1 and 2:

(a) Apply only to an employee who is on duty at a residential facility for a group of similarly situated persons who require supervision, care or other assistance from employees at the residential facility; and

(b) Do not apply to a firefighter, a member of a rescue or emergency services crew or a peace officer, including, without limitation, a correctional officer.

4. As used in this section:

(a) "A group of similarly situated persons" includes, without limitation, a group of:

(1) Persons with a mental illness;

(2) Persons with a physical disability;

(3) Persons with an intellectual disability;

(4) Persons who are elderly;

(5) Persons recovering from alcohol or drug abuse;

(6) Children in foster care; and

(7) Children in a program to address emotional or behavioral problems.

(b) "On duty" means any period during which an employee is working or is required to remain on the premises of the employer.

(c) "Residential facility" means:

(1) A dormitory, any structure similar to a dormitory or any structure similar to a private residence in which a group of similarly situated persons reside for the purpose of receiving supervision, care or other assistance from employees on duty at the residential facility. Any such dormitory or structure similar to a dormitory may include a studio apartment for the use of the employees.

(2) *In the case of a program for children to address emotional or behavioral problems, any structure which provides for residential living for the children and employees.*

Sec. 1.7. 1. A domestic service employee who resides in the household in which he or she works may agree in writing to exclude from his or her wages any sleeping period, meal period or free time.

2. If the sleeping period, meal period or free time is interrupted by any call for service by the employer, the interruption must be counted as hours worked.

3. If there is a significant deviation from the agreement entered into pursuant to subsection 1, the employer must not exclude from the wages of the domestic service employee any sleeping period, meal period or free time unless the domestic service employee and the employer enter into a new agreement that accurately accounts for all hours worked by the domestic service employee.

4. As used in this section:

(a) "Domestic service employee" means a natural person who is paid by an employer to perform work of a domestic nature for the household of the employer, including, without limitation, housekeeping, housecleaning, cooking, laundering, nanny services, caretaking of sick, convalescing or elderly persons, gardening or chauffeuring. The term does not include persons who provide services on a casual, irregular or intermittent basis or persons who are employed by a third-party service or agency.

(b) "Free time" means a period of time, sufficient in duration for a domestic service employee to make meaningful use of the time, during which the domestic service employee has complete freedom from all duties and is free to leave the household of the employer or stay within the household solely for personal pursuits.

(c) "Household" means the premises of the residence of an employer and includes, without limitation, any living quarters on the property of the employer.

Sec. 2. NRS 608.016 is hereby amended to read as follows:

608.016 ~~1. An~~ **Except as otherwise provided in ~~section 1.1~~ sections 1.3 and 1.7 of this act,** an employer shall pay to the employee wages for each hour the employee works. An employer shall not require an employee to work without wages during a trial or break-in period.

Sec. 2.5. NRS 608.018 is hereby amended to read as follows:

608.018 1. An employer shall pay 1 1/2 times an employee's regular wage rate whenever an employee who receives compensation for employment at a rate less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250 works:

(a) More than 40 hours in any scheduled week of work; or

(b) More than 8 hours in any workday unless by mutual agreement the employee works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.

2. An employer shall pay 1 1/2 times an employee's regular wage rate whenever an employee who receives compensation for employment at a rate not less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250 works more than 40 hours in any scheduled week of work.

3. The provisions of subsections 1 and 2 do not apply to:

(a) Employees who are not covered by the minimum wage provisions of NRS 608.250;

(b) Outside buyers;

(c) Employees in a retail or service business if their regular rate is more than 1 1/2 times the minimum wage, and more than half their compensation for a representative period comes from commissions on goods or services, with the representative period being, to the extent allowed pursuant to federal law, not less than 1 month;

(d) Employees who are employed in bona fide executive, administrative or professional capacities;

(e) Employees covered by collective bargaining agreements which provide otherwise for overtime;

(f) Drivers, drivers' helpers, loaders and mechanics for motor carriers subject to the Motor Carrier Act of 1935, as amended;

(g) Employees of a railroad;

(h) Employees of a carrier by air;

(i) Drivers or drivers' helpers making local deliveries and paid on a trip-rate basis or other delivery payment plan;

(j) Drivers of taxicabs or limousines;

(k) Agricultural employees;

(l) Employees of business enterprises having a gross sales volume of less than \$250,000 per year;

(m) Any salesperson or mechanic primarily engaged in selling or servicing automobiles, trucks or farm equipment; ~~and~~

(n) A mechanic or worker for any hours to which the provisions of subsection 3 or 4 of NRS 338.020 apply ~~to~~; and

(o) A domestic service employee who resides in the household where he or she works.

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

Assemblywoman Seaman moved the adoption of the amendment.

Remarks by Assemblywoman Seaman.

ASSEMBLYWOMAN SEAMAN:

Amendment 840 to Senate Bill 146 authorizes a domestic service employee who resides in his or her employer's household to enter into an agreement with the employer to exclude sleeping periods, meal periods, or free time from his or her wages. The amendment further exempts a domestic service employee who resides in the household in which he or she works from being paid overtime.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 273.

Bill read second time.

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

Amendment No. 726.

AN ACT relating to health care records; prohibiting a custodian of health care records from preventing the physical inspection of any health care records or providing copies thereof under certain circumstances; requiring a custodian of health care records to deliver the health care records or copies thereof under certain circumstances; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each provider of health care to: (1) retain the health care records of his or her patients as part of his or her regularly maintained records for 5 years after their receipt or production; and (2) make those health care records available for physical inspection or provide copies thereof for certain persons, including, without limitation, the patient or a representative with written authorization from the patient. If the health care records are retained for at least 5 years or a longer period as provided by federal law and the person for whom the health care records are maintained has attained the age of 23 years, the health care records may be destroyed. (NRS 629.051, 629.061) Existing law defines "provider of health care" to mean a physician licensed pursuant to chapter 630, 630A or 633 of NRS and various other persons involved in the provision of health care. (NRS 629.031) This bill enacts provisions governing the retention of health care records by a custodian of health care records, and defines a "custodian of health care records" to mean any person having lawful custody of any health care records pursuant to chapter 629 of NRS, other than ~~a licensed hospital or facility that maintains health care records.~~ **certain specified facilities and hospitals.** This bill also: (1) prohibits, under certain circumstances, a custodian of health care records who has lawful custody of any health care records of a provider of health care from preventing the provider of health care from physically inspecting the health care records or from receiving copies of those records upon request; (2) requires a custodian of health care records to deliver the health care records or copies thereof to the provider of health care and the patient under certain circumstances; and (3) subjects a custodian of health care records who violates a provision of this bill to prosecution for a gross misdemeanor and punishment by imprisonment in the county jail for not more than 364 days or by a fine of not more than \$25,000, or both, for each violation and the imposition of a civil penalty of not less than \$10,000 for each violation.

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

Section 1. Chapter 629 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Subject to the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, or any other federal law or regulation:

(a) A custodian of health care records having custody of any health care records of a provider of health care pursuant to this chapter shall not prevent the provider of health care from physically inspecting the health care records or receiving copies of those records upon request by the provider of health care in the manner specified in NRS 629.061.

(b) If a custodian of health care records specified in paragraph (a) ceases to do business in this State, the custodian of health care records shall, within 10 days after ceasing to do business in this State, deliver the health care records of the provider of health care, or copies thereof, to the provider of health care.

2. A custodian of health care records who violates a provision of this section is guilty of a gross misdemeanor and shall be punished by imprisonment in the county jail for not more than 364 days, or by a fine of not more than \$25,000 for each violation, or by both fine and imprisonment.

3. In addition to any criminal penalties imposed pursuant to subsection 2, a custodian of health care records who violates a provision of this section is subject to a civil penalty of not less than \$10,000 for each violation, to be recovered in a civil action brought in the district court in the county in which the provider of health care's principal place of business is located or in the district court of Carson City.

4. As used in this section, "custodian of health care records" means any person having custody of any health care records pursuant to this chapter. The term does not include ~~any licensed hospital or facility that maintains health care records specified in NRS 629.031.~~

(a) A facility for hospice care, as defined in NRS 449.0033;

(b) A facility for intermediate care, as defined in NRS 449.0038;

(c) A facility for skilled nursing, as defined in NRS 449.0039;

(d) A hospital, as defined in NRS 449.012; or

(e) A psychiatric hospital, as defined in NRS 449.0165.

Sec. 2. This act becomes effective on July 1, 2015.

Assemblywoman Seaman moved the adoption of the amendment.

Remarks by Assemblywoman Seaman.

ASSEMBLYWOMAN SEAMAN:

Amendment 726 to Senate Bill 273 excludes the following facilities from the definition of "custodian of health care records" for the purposes of this bill: a facility for hospice care, a facility for intermediate care, a facility for skilled nursing, a hospital, and a psychiatric hospital.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 404.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 887.

SENATORS DENIS; HAMMOND AND MANENDO

JOINT SPONSORS: ASSEMBLYMEN O'NEILL AND SILBERKRAUS

AN ACT relating to motor vehicles; providing for the registration of mopeds; requiring a fee for such registration; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, certain motor-driven cycles and scooters are considered mopeds if the engine produces not more than 2 gross brake horsepower, has a displacement of not more than 50 cubic centimeters or produces not more than 1500 watts final output, and is not capable of exceeding 30 miles per hour on a flat surface. (NRS 482.069) Such a moped is not required to be registered with the Department of Motor Vehicles and the owner or operator is not required to provide liability insurance. (NRS 482.210, 485.185) **Section 1** of this bill requires the owner of a moped to register the moped once with the Department. The owner must bring the moped to the Department or, in a county where no office of the Department is located, to either the sheriff of that county or a location of the Department in another county, for an inspection to verify that the moped meets the definition of a moped. The fee for registration is \$33, the same as that for a motorcycle. There is also a license plate fee and an inspection fee, and the owner must pay for 1 year of the governmental services tax based on the value of the moped at the time of registration. A moped registration is valid until the owner transfers the ownership of the moped or cancels the registration and surrenders the license plate to the Department. **Section 3** of this bill removes the exemption of mopeds from the requirement to register a motor vehicle, trailer or semitrailer intended to be operated upon any highway in this State. Existing law requires the owner or operator of any motor vehicle which is registered or required to be registered to maintain liability insurance. (NRS 485.185) **Section 14** of this bill exempts mopeds from the requirement to maintain liability insurance. Existing law makes failure to register a vehicle which is required to be registered a misdemeanor. (NRS 482.555)

Section 5 of this bill requires the Department to issue a license plate to the owner of a moped upon registration of the moped. **Section 6** of this bill requires that the license plate for a moped be distinct in appearance from the license plate for a motorcycle. **Sections 9 and 13** of this bill make provisions that allow disabled vehicle owners to obtain and use special license plates and parking stickers applicable to mopeds. (NRS 482.384, 484B.467) **Sections 15.2-15.6** of this bill provide for the calculation and imposition of the 1 year of governmental services tax that must be paid upon the registration of a moped. (NRS 371.040, 371.060, 371.070) **Section 15.8** of this bill exempts mopeds from the requirements for emissions testing of certain vehicles. (NRS 445B.760)

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The owner of a moped shall, before the moped may be operated upon any highway in this State, apply to the Department for and obtain registration thereof. The application must be made upon the appropriate form as prescribed by the Department.*

2. *An application for the registration of a moped pursuant to this section must include:*

(a) *The signature and residential address of the owner of the moped.*

(b) *The owner's declaration of the county where he or she intends the moped to be based, unless the moped is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.*

(c) *A brief description of the moped to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and, upon the registration of a new moped, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the moped.*

(d) *Proof of ownership satisfactory to the Department.*

3. *An application for the registration of a moped pursuant to subsection 2 must be accompanied by:*

(a) *The registration fee required pursuant to NRS 482.480.*

(b) *The governmental services tax imposed pursuant to chapter 371 of NRS, as provided in NRS 482.260.*

(c) *The fees for a license plate and an inspection required pursuant to this section.*

4. *An applicant for the registration of a moped pursuant to this section ~~must~~ who resides in a county where an office of the Department is located must, at an office of the Department in that county, allow the Department to inspect the moped for verification that the moped meets the definition of "moped" as provided in NRS 482.069. The Department may by regulation establish a fee for such an inspection.*

5. *An applicant for the registration of a moped pursuant to this section who resides in a county where no office of the Department is located must allow the Department to inspect the moped, as specified in subsection 4, at an office of the Department in another county or, in lieu of an inspection by the Department, allow a sheriff or deputy sheriff of the county in which the applicant resides to inspect the moped for verification that the moped meets the definition of "moped" as provided in NRS 482.069. A sheriff or deputy sheriff shall, upon the request of the applicant, conduct such an inspection and transmit his or her determination, in writing, to the Department and may collect the fee established by the Department pursuant to subsection 4 for*

such an inspection. All fees collected pursuant to this subsection must be accounted for as provided in subsection 6 of NRS 248.275.

6. As soon as practicable after ~~receiving~~ the Department:

(a) ~~Receives~~ the application and fees required by this section; and ~~conducting~~

(b) ~~Conducts~~ the inspection required by ~~this section,~~ subsection 4 or 5 or receives the alternative written determination from a sheriff or deputy sheriff that is authorized by subsection 5.

↪ the Department shall, if the inspection or written determination confirms that the moped meets the definition of “moped” as provided in NRS 482.069, issue a license plate and certificate of registration to the owner of the moped.

~~6.7~~ 7. The fee for the issuance of a license plate pursuant to this section is \$5, which must be allocated to the Revolving Account for the Issuance of Special License Plates, created by NRS 482.1805, to defray the costs of manufacturing license plates pursuant to this section.

~~7.7~~ 8. The registration issued pursuant to this section is not renewable or transferable, and a moped that is registered pursuant to this section is registered until the date on which the owner of the moped:

(a) Transfers the ownership of the moped; or

(b) Cancels the registration of the moped and surrenders the license plate to the Department.

~~8.7~~ 9. The Department may, upon proof of ownership satisfactory to it, issue a certificate of title before the registration of a moped pursuant to this section. A certificate of title issued pursuant to this subsection is valid until cancelled by the Department upon the transfer of interest therein.

Sec. 1.5. NRS 482.087 is hereby amended to read as follows:

482.087 “Passenger car” means a motor vehicle designed for carrying 10 persons or less, except a motorcycle, **an electric bicycle** or ~~motor-driven cycle.~~ **a moped.**

Sec. 2. NRS 482.1825 is hereby amended to read as follows:

482.1825 1. Except as otherwise provided in subsection 3, any voluntary contributions collected pursuant to subsection ~~11.1~~ **12** of NRS 482.480 must be distributed to each county based on the county of registration of the vehicle for which the contribution was made, to be used as provided in NRS 244.2643, 277A.285 or 403.575, as applicable. The Department shall remit monthly the contributions directly:

(a) In a county in which a regional transportation commission exists, to the regional transportation commission.

(b) In a county whose population is 100,000 or more and in which a regional transportation commission does not exist, to the board of county commissioners.

(c) In a county whose population is less than 100,000 and in which a regional transportation commission does not exist, to the board of county highway commissioners created pursuant to NRS 403.010.

2. The Department shall certify monthly to the State Board of Examiners the amount of the voluntary contributions collected pursuant to subsection ~~11~~ **12** of NRS 482.480 for each county by the Department and its agents during the preceding month, and that the money has been distributed as provided in this section.

3. The Department shall deduct and withhold 1 percent of the contributions collected pursuant to subsection 1 to reimburse the Department for its expenses in collecting and distributing the contributions.

4. As used in this section, "regional transportation commission" means a regional transportation commission created and organized in accordance with chapter 277A of NRS.

Sec. 2.5. NRS 482.206 is hereby amended to read as follows:

482.206 1. Except as otherwise provided in this section and NRS 482.2065, every motor vehicle, except for a motor vehicle that is registered pursuant to the provisions of NRS 706.801 to 706.861, inclusive, and except for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 ~~1~~ **or a moped registered pursuant to section 1 of this act**, must be registered for a period of 12 consecutive months beginning the day after the first registration by the owner in this State.

2. Except as otherwise provided in ~~subsection~~ **subsections 7 and 8** and NRS 482.2065, every vehicle registered by an agent of the Department or a registered dealer must be registered for 12 consecutive months beginning the first day of the month after the first registration by the owner in this State.

3. Except as otherwise provided in subsection 7 and NRS 482.2065, a vehicle which must be registered through the Motor Carrier Division of the Department, or a motor vehicle which has a declared gross weight in excess of 26,000 pounds, must be registered for a period of 12 consecutive months beginning on the date established by the Department by regulation.

4. Upon the application of the owner of a fleet of vehicles, the Director may permit the owner to register the fleet on the basis of a calendar year.

5. Except as otherwise provided in subsections 6, ~~and 7~~ **and 8**, when the registration of any vehicle is transferred pursuant to NRS 482.399, the expiration date of each regular license plate, special license plate or substitute decal must, at the time of the transfer of registration, be advanced for a period of 12 consecutive months beginning:

(a) The first day of the month after the transfer, if the vehicle is transferred by an agent of the Department; or

(b) The day after the transfer in all other cases,
 ➡ and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.

6. When the registration of any trailer that is registered for a 3-year period pursuant to NRS 482.2065 is transferred pursuant to NRS 482.399, the expiration date of each license plate or substitute decal must, at the time of the

transfer of the registration, be advanced, if applicable pursuant to NRS 482.2065, for a period of 3 consecutive years beginning:

(a) The first day of the month after the transfer, if the trailer is transferred by an agent of the Department; or

(b) The day after the transfer in all other cases,
 ➔ and a credit on the portion of the fee for registration and the governmental services tax attributable to the remainder of the current period of registration must be allowed pursuant to the applicable provisions of NRS 482.399.

7. A full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 is registered until the date **on which** the owner of the full trailer or semitrailer:

(a) Transfers the ownership of the full trailer or semitrailer; or

(b) Cancels the registration of the full trailer or semitrailer and surrenders the license plates to the Department.

8. A moped that is registered pursuant to section 1 of this act is registered until the date on which the owner of the moped:

(a) Transfers the ownership of the moped; or

(b) Cancels the registration of the moped and surrenders the license plate to the Department.

Sec. 3. NRS 482.210 is hereby amended to read as follows:

482.210 1. The provisions of this chapter requiring the registration of certain vehicles do not apply to:

(a) Special mobile equipment.

(b) Implements of husbandry temporarily drawn, moved or otherwise propelled upon the highways.

(c) Any mobile home or commercial coach subject to the provisions of chapter 489 of NRS.

(d) Electric bicycles.

(e) Golf carts which are:

(1) Traveling upon highways properly designated by the appropriate city or county as permissible for the operation of golf carts; and

(2) Operating pursuant to a permit issued pursuant to this chapter.

(f) ~~Mopeds.~~

~~(g) Towable tools or equipment as defined in NRS 484D.055.~~

~~(h)~~ **(g)** Any motorized conveyance for a wheelchair, whose operator is a person with a disability who is unable to walk about.

2. For the purposes of this section, “motorized conveyance for a wheelchair” means a vehicle which:

(a) Can carry a wheelchair;

(b) Is propelled by an engine which produces not more than 3 gross brake horsepower, has a displacement of not more than 50 cubic centimeters or produces not more than 2250 watts final output;

(c) Is designed to travel on not more than three wheels; and

(d) Can reach a speed of not more than 30 miles per hour on a flat surface with not more than a grade of 1 percent in any direction.

↪ The term does not include a tractor.

Sec. 3.3. NRS 482.215 is hereby amended to read as follows:

482.215 1. ~~[All]~~ ***Except as otherwise provided in section 1 of this act,*** ***all*** applications for registration, except applications for renewal of registration, must be made as provided in this section.

2. Except as otherwise provided in NRS 482.294, applications for all registrations, except renewals of registration, must be made in person, if practicable, to any office or agent of the Department or to a registered dealer.

3. Each application must be made upon the appropriate form furnished by the Department and contain:

(a) The signature of the owner, except as otherwise provided in subsection 2 of NRS 482.294, if applicable.

(b) The owner's residential address.

(c) The owner's declaration of the county where he or she intends the vehicle to be based, unless the vehicle is deemed to have no base. The Department shall use this declaration to determine the county to which the governmental services tax is to be paid.

(d) A brief description of the vehicle to be registered, including the name of the maker, the engine, identification or serial number, whether new or used, and the last license number, if known, and the state in which it was issued, and upon the registration of a new vehicle, the date of sale by the manufacturer or franchised and licensed dealer in this State for the make to be registered to the person first purchasing or operating the vehicle.

(e) Except as otherwise provided in this paragraph, if the applicant is not an owner of a fleet of vehicles or a person described in subsection 5:

(1) Proof satisfactory to the Department or registered dealer that the applicant carries insurance on the vehicle provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185; and

(2) A declaration signed by the applicant that he or she will maintain the insurance required by NRS 485.185 during the period of registration. If the application is submitted by electronic means pursuant to NRS 482.294, the applicant is not required to sign the declaration required by this subparagraph.

(f) If the applicant is an owner of a fleet of vehicles or a person described in subsection 5, evidence of insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State as required by NRS 485.185:

(1) In the form of a certificate of insurance on a form approved by the Commissioner of Insurance;

(2) In the form of a card issued pursuant to NRS 690B.023 which identifies the vehicle or the registered owner of the vehicle; or

(3) In another form satisfactory to the Department.

↪ The Department may file that evidence, return it to the applicant or otherwise dispose of it.

(g) If required, evidence of the applicant's compliance with controls over emission.

4. The application must contain such other information as is required by the Department or registered dealer and must be accompanied by proof of ownership satisfactory to the Department.

5. For purposes of the evidence required by paragraph (f) of subsection 3:

(a) Vehicles which are subject to the fee for a license and the requirements of registration of the Interstate Highway User Fee Apportionment Act, and which are based in this State, may be declared as a fleet by the registered owner thereof on his or her original application for or application for renewal of a proportional registration. The owner may file a single certificate of insurance covering that fleet.

(b) Other fleets composed of 10 or more vehicles based in this State or vehicles insured under a blanket policy which does not identify individual vehicles may each be declared annually as a fleet by the registered owner thereof for the purposes of an application for his or her original or any renewed registration. The owner may file a single certificate of insurance covering that fleet.

(c) A person who qualifies as a self-insurer pursuant to the provisions of NRS 485.380 may file a copy of his or her certificate of self-insurance.

(d) A person who qualifies for an operator's policy of liability insurance pursuant to the provisions of NRS 485.186 and 485.3091 may file evidence of that insurance.

Sec. 3.7. NRS 482.216 is hereby amended to read as follows:

482.216 1. ~~Upon~~ ***Except as otherwise provided in section 1 of this act,***
upon the request of a new vehicle dealer, the Department may authorize the new vehicle dealer to:

(a) Accept applications for the registration of the new motor vehicles he or she sells and the related fees and taxes;

(b) Issue certificates of registration to applicants who satisfy the requirements of this chapter; and

(c) Accept applications for the transfer of registration pursuant to NRS 482.399 if the applicant purchased from the new vehicle dealer a new vehicle to which the registration is to be transferred.

2. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall:

(a) Transmit the applications received to the Department within the period prescribed by the Department;

(b) Transmit the fees collected from the applicants and properly account for them within the period prescribed by the Department;

(c) Comply with the regulations adopted pursuant to subsection ~~4;~~ 5; and

(d) Bear any cost of equipment which is necessary to issue certificates of registration, including any computer hardware or software.

3. A new vehicle dealer who is authorized to issue certificates of registration pursuant to subsection 1 shall not:

(a) Charge any additional fee for the performance of those services;
(b) Receive compensation from the Department for the performance of those services;

(c) Accept applications for the renewal of registration of a motor vehicle;
or

(d) Accept an application for the registration of a motor vehicle if the applicant wishes to:

(1) Obtain special license plates pursuant to NRS 482.3667 to 482.3823, inclusive; or

(2) Claim the exemption from the governmental services tax provided pursuant to NRS 361.1565 to veterans and their relations.

4. *The provisions of this section do not apply to the registration of a moped pursuant to section 1 of this act.*

5. The Director shall adopt such regulations as are necessary to carry out the provisions of this section. The regulations adopted pursuant to this subsection must provide for:

(a) The expedient and secure issuance of license plates and decals by the Department; and

(b) The withdrawal of the authority granted to a new vehicle dealer pursuant to subsection 1 if that dealer fails to comply with the regulations adopted by the Department.

Sec. 4. NRS 482.255 is hereby amended to read as follows:

482.255 1. Upon receipt of a certificate of registration, the owner shall place it or a legible copy in the vehicle for which it is issued and keep it in the vehicle. If the vehicle is a motorcycle, ***moped***, trailer or semitrailer, the owner shall carry the certificate in the tool bag or other convenient receptacle attached to the vehicle.

2. The owner or operator of a motor vehicle shall, upon demand, surrender the certificate of registration or the copy for examination to any peace officer, including a constable of the township in which the motor vehicle is located or a justice of the peace or a deputy of the Department.

3. No person charged with violating this section may be convicted if the person produces in court a certificate of registration which was previously issued to him or her and was valid at the time of the demand.

Sec. 4.5. NRS 482.260 is hereby amended to read as follows:

482.260 1. When registering a vehicle, the Department and its agents or a registered dealer shall:

(a) Collect the fees for license plates and registration as provided for in this chapter.

(b) Collect the governmental services tax on the vehicle, as agent for the State and for the county where the applicant intends to base the vehicle for the period of registration, unless the vehicle is deemed to have no base.

(c) Collect the applicable taxes imposed pursuant to chapters 372, 374, 377 and 377A of NRS.

(d) Issue a certificate of registration.

(e) If the registration is performed by the Department, issue the regular license plate or plates.

(f) If the registration is performed by a registered dealer, provide information to the owner regarding the manner in which the regular license plate or plates will be made available to the owner.

2. Upon proof of ownership satisfactory to the Director, the Director shall cause to be issued a certificate of title as provided in this chapter.

3. Except as otherwise provided in NRS 371.070 and subsections 6, ~~and 7~~ **7** ~~and 8~~, every vehicle being registered for the first time in Nevada must be taxed for the purposes of the governmental services tax for a 12-month period.

4. The Department shall deduct and withhold 2 percent of the taxes collected pursuant to paragraph (c) of subsection 1 and remit the remainder to the Department of Taxation.

5. A registered dealer shall forward all fees and taxes collected for the registration of vehicles to the Department.

6. A trailer being registered pursuant to NRS 482.2065 must be taxed for the purposes of the governmental services tax for a 3-year period.

7. A full trailer or semitrailer being registered pursuant to subsection 3 of NRS 482.483 must be taxed for the purposes of the governmental services tax in the amount of \$86. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

8. A moped being registered pursuant to section 1 of this act must be taxed for the purposes of the governmental services tax for only the 12-month period following the registration. The governmental services tax paid pursuant to this subsection is nontransferable and nonrefundable.

Sec. 5. NRS 482.265 is hereby amended to read as follows:

482.265 1. The Department shall furnish to every owner whose vehicle is registered two license plates for a motor vehicle other than a motorcycle **or moped** and one license plate for all other vehicles required to be registered hereunder. ~~Upon~~ **Except as otherwise provided in section 1 of this act, upon** renewal of registration, the Department may issue one or more license plate stickers, tabs or other suitable devices in lieu of new license plates.

2. The Director shall have the authority to require the return to the Department of all number plates upon termination of the lawful use thereof by the owner under this chapter.

3. Except as otherwise specifically provided by statute, for the issuance of each special license plate authorized pursuant to this chapter:

(a) The fee to be received by the Department for the initial issuance of the special license plate is \$35, exclusive of any additional fee which may be added to generate funds for a particular cause or charitable organization;

(b) The fee to be received by the Department for the renewal of the special license plate is \$10, exclusive of any additional fee which may be added to generate financial support for a particular cause or charitable organization; and

(c) The Department shall not design, prepare or issue a special license plate unless, within 4 years after the date on which the measure authorizing the

issuance becomes effective, it receives at least 250 applications for the issuance of that plate.

4. The provisions of subsection 3 do not apply to NRS 482.37901.

Sec. 6. NRS 482.272 is hereby amended to read as follows:

482.272 **1.** Each license plate for a motorcycle ***or moped*** may contain a number of characters, including numbers and letters, as determined necessary by the Director. Only one plate may be issued for a motorcycle ~~or~~ ***or moped***.

2. ***The Department shall ensure that the license plate for a moped is distinct in appearance from the license plate for a motorcycle. Such distinction may be provided by, without limitation, the size, color or design of the plate. A license plate produced pursuant to this subsection is not required to have displayed upon it the month and year the registration expires.***

Sec. 7. NRS 482.275 is hereby amended to read as follows:

482.275 **1.** The license plates for a motor vehicle other than a motorcycle, ***moped*** or motor vehicle being transported by a licensed vehicle transporter must be attached thereto, one in the rear and, except as otherwise provided in subsection 2, one in the front. The license plate issued for all other vehicles required to be registered must be attached to the rear of the vehicle. The license plates must be so displayed during the current calendar year or registration period.

2. If the motor vehicle was not manufactured to include a bracket, device or other contrivance to display and secure a front license plate, and if the manufacturer of the motor vehicle provided no other means or method by which a front license plate may be displayed upon and secured to the motor vehicle:

(a) One license plate must be attached to the motor vehicle in the rear; and

(b) The other license plate may, at the option of the owner of the vehicle, be attached to the motor vehicle in the front.

3. The provisions of subsection 2 do not relieve the Department of the duty to issue a set of two license plates as otherwise required pursuant to NRS 482.265 or other applicable law and do not entitle the owner of a motor vehicle to pay a reduced tax or fee in connection with the registration or transfer of the motor vehicle. If the owner of a motor vehicle, in accordance with the provisions of subsection 2, exercises the option to attach a license plate only to the rear of the motor vehicle, the owner shall:

(a) Retain the other license plate; and

(b) Insofar as it may be practicable, return or surrender both plates to the Department as a set when required by law to do so.

4. Every license plate must at all times be securely fastened to the vehicle to which it is assigned so as to prevent the plate from swinging and at a height not less than 12 inches from the ground, measuring from the bottom of such plate, in a place and position to be clearly visible, and must be maintained free from foreign materials and in a condition to be clearly legible.

5. Any license plate which is issued to a vehicle transporter or a dealer, rebuilder or manufacturer may be attached to a vehicle owned or controlled by that person by a secure means. No license plate may be displayed loosely in the window or by any other unsecured method in any motor vehicle.

Sec. 8. NRS 482.280 is hereby amended to read as follows:

482.280 1. ~~The~~ ***Except as otherwise provided in section 1 of this act,*** the registration of every vehicle expires at midnight on the day specified on the receipt of registration, unless the day specified falls on a Saturday, Sunday or legal holiday. If the day specified on the receipt of registration is a Saturday, Sunday or legal holiday, the registration of the vehicle expires at midnight on the next judicial day. The Department shall mail to each holder of a certificate of registration a notification for renewal of registration for the following period of registration. The notifications must be mailed by the Department in sufficient time to allow all applicants to mail the notifications to the Department or to renew the certificate of registration at a kiosk or authorized inspection station or via the Internet or an interactive response system and to receive new certificates of registration and license plates, stickers, tabs or other suitable devices by mail before the expiration of their registrations. An applicant may present or submit the notification to any agent or office of the Department.

2. A notification:

(a) Mailed or presented to the Department or to a county assessor pursuant to the provisions of this section;

(b) Submitted to the Department pursuant to NRS 482.294; or

(c) Presented to an authorized inspection station or authorized station pursuant to the provisions of NRS 482.281,

↪ must include, if required, evidence of compliance with standards for the control of emissions.

3. The Department shall include with each notification mailed pursuant to subsection 1:

(a) The amount of the governmental services tax to be collected pursuant to the provisions of NRS 482.260.

(b) The amount set forth in a notice of nonpayment filed with the Department by a local authority pursuant to NRS 484B.527.

(c) A statement which informs the applicant:

(1) That, pursuant to NRS 485.185, the applicant is legally required to maintain insurance during the period in which the motor vehicle is registered which must be provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State; and

(2) Of any other applicable requirements set forth in chapter 485 of NRS and any regulations adopted thereto.

(d) A statement which informs the applicant that, if the applicant renews a certificate of registration at a kiosk or via the Internet, he or she may make a nonrefundable monetary contribution of \$2 for each vehicle registration

renewed for the Complete Streets Program, if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The notification must state in a clear and conspicuous manner that a contribution for a Complete Streets Program is nonrefundable and voluntary and is in addition to any fees required for registration.

4. An application for renewal of a certificate of registration submitted at a kiosk or via the Internet must include a statement which informs the applicant that he or she may make a nonrefundable monetary contribution of \$2, for each vehicle registration which is renewed at a kiosk or via the Internet, for the Complete Streets Program, if any, created pursuant to NRS 244.2643, 277A.285 or 403.575, as applicable, based on the declaration made pursuant to paragraph (c) of subsection 3 of NRS 482.215. The application must state in a clear and conspicuous manner that a contribution for a Complete Streets Program is nonrefundable and voluntary and is in addition to any fees required for registration, and must include a method by which the applicant must indicate his or her intention to opt in or opt out of making such a contribution.

5. An owner who has made proper application for renewal of registration before the expiration of the current registration but who has not received the license plate or plates or card of registration for the ensuing period of registration is entitled to operate or permit the operation of that vehicle upon the highways upon displaying thereon the license plate or plates issued for the preceding period of registration for such a time as may be prescribed by the Department as it may find necessary for the issuance of the new plate or plates or card of registration.

Sec. 8.2. NRS 482.285 is hereby amended to read as follows:

482.285 1. If any certificate of registration or certificate of title is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain a duplicate or substitute therefor upon furnishing information satisfactory to the Department and upon payment of the required fees.

2. If any license plate or plates or any decal is lost, mutilated or illegible, the person to whom it was issued shall immediately make application for and obtain:

- (a) A duplicate number plate or a substitute number plate;
- (b) A substitute decal; or
- (c) A combination of both (a) and (b),

↪ as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.

3. If any license plate or plates or any decal is stolen, the person to whom it was issued shall immediately make application for and obtain:

- (a) A substitute number plate;
- (b) A substitute decal; or
- (c) A combination of both (a) and (b),

↪ as appropriate, upon furnishing information satisfactory to the Department and payment of the fees required by NRS 482.500.

4. The Department shall issue duplicate number plates or substitute number plates and, if applicable, a substitute decal, if the applicant:

(a) Returns the mutilated or illegible plates to the Department or signs a declaration that the plates were lost, mutilated or illegible; and

(b) Complies with the provisions of subsection 6.

5. The Department shall issue substitute number plates and, if applicable, a substitute decal, if the applicant:

(a) Signs a declaration that the plates were stolen; and

(b) Complies with the provisions of subsection 6.

6. Except as otherwise provided in this subsection, an applicant who desires duplicate number plates or substitute number plates must make application for renewal of registration. Except as otherwise provided in subsection 7 **or** 8 of NRS 482.260, credit must be allowed for the portion of the registration fee and governmental services tax attributable to the remainder of the current registration period. In lieu of making application for renewal of registration, an applicant may elect to make application solely for:

(a) Duplicate number plates or substitute number plates, and a substitute decal, if the previous license plates were lost, mutilated or illegible; or

(b) Substitute number plates and a substitute decal, if the previous license plates were stolen.

7. An applicant who makes the election described in subsection 6 retains the current date of expiration for the registration of the applicable vehicle and is not, as a prerequisite to receiving duplicate number plates or substitute number plates or a substitute decal, required to:

(a) Submit evidence of compliance with controls over emission; or

(b) Pay the registration fee and governmental services tax attributable to a full period of registration.

Sec. 8.4. NRS 482.3667 is hereby amended to read as follows:

482.3667 1. The Department shall establish, design and otherwise prepare for issue personalized prestige license plates and shall establish all necessary procedures not inconsistent with this section for the application and issuance of such license plates.

2. The Department shall issue personalized prestige license plates, upon payment of the prescribed fee, to any person who otherwise complies with the laws relating to the registration and licensing of motor vehicles or trailers for use on private passenger cars, motorcycles, trucks or trailers, except that such plates may not be issued for a full trailer or semitrailer that is registered pursuant to subsection 3 of NRS 482.483 ~~[-]~~ **or a moped registered pursuant to section 1 of this act.**

3. Except as otherwise provided in NRS 482.2065, personalized prestige license plates are valid for 12 months and are renewable upon expiration. These plates may be transferred from one vehicle or trailer to another if the transfer and registration fees are paid as set out in this chapter.

4. In case of any conflict, the person who first made application for personalized prestige license plates and has continuously renewed them by payment of the required fee has priority.

5. The Department may limit by regulation the number of letters and numbers used and prohibit the use of inappropriate letters or combinations of letters and numbers.

6. The Department shall not assign to any person not holding the relevant office any letters and numbers denoting that the holder holds a public office.

Sec. 8.5. NRS 482.381 is hereby amended to read as follows:

482.381 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any motor vehicle which is a model manufactured more than 40 years before the date of application for registration pursuant to this section.

2. License plates issued pursuant to this section must bear the inscription "Old Timer," and the plates must be numbered consecutively.

3. The Nevada Old Timer Club members shall bear the cost of the dies for carrying out the provisions of this section.

4. The Department shall charge and collect the following fees for the issuance of these license plates, which fees are in addition to all other license fees and applicable taxes:

- (a) For the first issuance..... \$35
- (b) For a renewal sticker 10

5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the license plates for those motor vehicles exempted pursuant to **paragraph (b) of subsection 1 of NRS 445B.760** from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.

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

Sec. 8.52. NRS 482.3812 is hereby amended to read as follows:

482.3812 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any passenger car or light commercial vehicle:

- (a) Having a manufacturer's rated carrying capacity of 1 ton or less; and
- (b) Manufactured not later than 1948.

2. License plates issued pursuant to this section must be inscribed with the words "STREET ROD" and a number of characters, including numbers and letters, as determined necessary by the Director.

3. If, during a registration period, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:

(a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedure set forth for other transfers; or

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

4. The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The fee for an annual renewal sticker is \$10.

5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the special license plates for those motor vehicles exempted pursuant to **paragraph (b) of subsection 1 of** NRS 445B.760 from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.

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

Sec. 8.54. NRS 482.3814 is hereby amended to read as follows:

482.3814 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any passenger car or light commercial vehicle:

(a) Having a manufacturer's rated carrying capacity of 1 ton or less; and

(b) Manufactured not earlier than 1949, but at least 20 years before the application is submitted to the Department.

2. License plates issued pursuant to this section must be inscribed with the words "CLASSIC ROD" and a number of characters, including numbers and letters, as determined necessary by the Director.

3. If, during a registration year, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:

(a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedure set forth for other transfers; or

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

4. The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The fee for an annual renewal sticker is \$10.

5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the special license plates for those motor vehicles exempted pursuant to **paragraph (b) of subsection 1 of** NRS 445B.760 from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.

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

Sec. 8.56. NRS 482.3816 is hereby amended to read as follows:

482.3816 1. Except as otherwise provided in NRS 482.2655, the Department may issue special license plates and registration certificates to residents of Nevada for any passenger car or light commercial vehicle:

- (a) Having a manufacturer's rated carrying capacity of 1 ton or less;
- (b) Manufactured at least 25 years before the application is submitted to the Department; and
- (c) Containing only the original parts which were used to manufacture the vehicle or replacement parts that duplicate those original parts.

2. License plates issued pursuant to this section must be inscribed with the words "CLASSIC VEHICLE" and a number of characters, including numbers and letters, as determined necessary by the Director.

3. If, during a registration period, the holder of special plates issued pursuant to this section disposes of the vehicle to which the plates are affixed, the holder shall retain the plates and:

- (a) Affix them to another vehicle which meets the requirements of this section and report the change to the Department in accordance with the procedure set forth for other transfers; or
- (b) Within 30 days after removing the plates from the vehicle, return them to the Department.

4. The fee for the special license plates is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The fee for an annual renewal sticker is \$10.

5. In addition to the fees required pursuant to subsection 4, the Department shall charge and collect a fee for the first issuance of the special license plates for those motor vehicles exempted pursuant to **paragraph (b) of subsection 1 of** NRS 445B.760 from the provisions of NRS 445B.770 to 445B.815, inclusive. The amount of the fee must be equal to the amount of the fee for a form certifying emission control compliance set forth in paragraph (c) of subsection 1 of NRS 445B.830.

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

Sec. 8.6. NRS 482.3824 is hereby amended to read as follows:

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

(a) The Director shall, at the request of the charitable organization that is benefited by the particular special license plate:

- (1) Order the design and preparation of souvenir license plates, the design of which must be substantially similar to the particular special license plate; and

(2) Issue such souvenir license plates, for a fee established pursuant to NRS 482.3825, only to the charitable organization that is benefited by the particular special license plate. The charitable organization may resell such souvenir license plates at a price determined by the charitable organization.

(b) The Department may, except as otherwise provided in this paragraph and after the particular special license plate is approved for issuance, issue the special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, excluding vehicles required to be registered with the Department pursuant to NRS 706.801 to 706.861, inclusive, ~~and~~ full trailers or semitrailers registered pursuant to subsection 3 of NRS 482.483 ~~+~~ **and mopeds registered pursuant to section 1 of this act**, upon application by a person who is entitled to license plates pursuant to NRS 482.265 or 482.272 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter or chapter 486 of NRS. The Department may not issue a special license plate for such other types of vehicles if the Department determines that the design or manufacture of the plate for those other types of vehicles would not be feasible. In addition, if the Department incurs additional costs to manufacture a special license plate for such other types of vehicles, including, without limitation, costs associated with the purchase, manufacture or modification of dies or other equipment necessary to manufacture the special license plate for such other types of vehicles, those additional costs must be paid from private sources without any expense to the State of Nevada.

2. If, as authorized pursuant to paragraph (b) of subsection 1, the Department issues a special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, the Department shall charge and collect for the issuance and renewal of such a plate the same fees that the Department would charge and collect if the other type of vehicle was a passenger car or light commercial vehicle. As used in this subsection, “fees” does not include any applicable registration or license fees or governmental services taxes.

3. As used in this section:

(a) “Additional fees” has the meaning ascribed to it in NRS 482.38273.

(b) “Charitable organization” means a particular cause, charity or other entity that receives money from the imposition of additional fees in connection with the issuance of a special license plate pursuant to NRS 482.3667 to 482.3823, inclusive. The term includes the successor, if any, of a charitable organization.

Sec. 9. NRS 482.384 is hereby amended to read as follows:

482.384 1. Upon the application of a person with a permanent disability, the Department may issue special license plates for a vehicle, including a motorcycle ~~+~~ **or moped**, registered by the applicant pursuant to this chapter. The application must include a statement from a licensed physician certifying that the applicant is a person with a permanent disability. The issuance of a special license plate to a person with a permanent disability pursuant to this

subsection does not preclude the issuance to such a person of a special parking placard for a vehicle other than a motorcycle **or moped** or a special parking sticker for a motorcycle **or moped** pursuant to subsection 6.

2. Every year after the initial issuance of special license plates to a person with a permanent disability, the Department shall require the person to renew the special license plates in accordance with the procedures for renewal of registration pursuant to this chapter. The Department shall not require a person with a permanent disability to include with the application for renewal a statement from a licensed physician certifying that the person is a person with a permanent disability.

3. Upon the application of an organization which provides transportation for a person with a permanent disability, disability of moderate duration or temporary disability, the Department may issue special license plates for a vehicle registered by the organization pursuant to this chapter, or the Department may issue special parking placards to the organization pursuant to this section to be used on vehicles providing transportation to such persons. The application must include a statement from the organization certifying that:

(a) The vehicle for which the special license plates are issued is used primarily to transport persons with permanent disabilities, disabilities of moderate duration or temporary disabilities; or

(b) The organization which is issued the special parking placards will only use such placards on vehicles that actually transport persons with permanent disabilities, disabilities of moderate duration or temporary disabilities.

4. The Department may charge a fee for special license plates issued pursuant to this section not to exceed the fee charged for the issuance of license plates for the same class of vehicle.

5. Special license plates issued pursuant to this section must display the international symbol of access in a color which contrasts with the background and is the same size as the numerals and letters on the plate.

6. Upon the application of a person with a permanent disability or disability of moderate duration, the Department may issue:

(a) A special parking placard for a vehicle other than a motorcycle **or moped**. Upon request, the Department may issue one additional placard to an applicant to whom special license plates have not been issued pursuant to this section.

(b) A special parking sticker for a motorcycle **or moped**.

↪ The application must include a statement from a licensed physician certifying that the applicant is a person with a permanent disability or disability of moderate duration.

7. A special parking placard issued pursuant to subsection 6 must:

(a) Have inscribed on it the international symbol of access which is at least 3 inches in height, is centered on the placard and is white on a blue background;

(b) Have an identification number and date of expiration of:

(1) If the special parking placard is issued to a person with a permanent disability, 10 years after the initial date of issuance; or

(2) If the special parking placard is issued to a person with a disability of moderate duration, 2 years after the initial date of issuance;

(c) Have placed or inscribed on it the seal or other identification of the Department; and

(d) Have a form of attachment which enables a person using the placard to display the placard from the rearview mirror of the vehicle.

8. A special parking sticker issued pursuant to subsection 6 must:

(a) Have inscribed on it the international symbol of access which complies with any applicable federal standards, is centered on the sticker and is white on a blue background;

(b) Have an identification number and a date of expiration of:

(1) If the special parking sticker is issued to a person with a permanent disability, 10 years after the initial date of issuance; or

(2) If the special parking sticker is issued to a person with a disability of moderate duration, 2 years after the initial date of issuance; and

(c) Have placed or inscribed on it the seal or other identification of the Department.

9. Before the date of expiration of a special parking placard or special parking sticker issued to a person with a permanent disability or disability of moderate duration, the person shall renew the special parking placard or special parking sticker. If the applicant for renewal is a person with a disability of moderate duration, the applicant must include with the application for renewal a statement from a licensed physician certifying that the applicant is a person with a disability which limits or impairs the ability to walk, and that such disability, although not irreversible, is estimated to last longer than 6 months. A person with a permanent disability is not required to submit evidence of a continuing disability with the application for renewal.

10. The Department, or a city or county, may issue, and charge a reasonable fee for, a temporary parking placard for a vehicle other than a motorcycle **or moped** or a temporary parking sticker for a motorcycle **or moped** upon the application of a person with a temporary disability. Upon request, the Department, city or county may issue one additional temporary parking placard to an applicant. The application must include a certificate from a licensed physician indicating:

(a) That the applicant has a temporary disability; and

(b) The estimated period of the disability.

11. A temporary parking placard issued pursuant to subsection 10 must:

(a) Have inscribed on it the international symbol of access which is at least 3 inches in height, is centered on the placard and is white on a red background;

(b) Have an identification number and a date of expiration; and

(c) Have a form of attachment which enables a person using the placard to display the placard from the rearview mirror of the vehicle.

12. A temporary parking sticker issued pursuant to subsection 10 must:

(a) Have inscribed on it the international symbol of access which is at least 3 inches in height, is centered on the sticker and is white on a red background; and

(b) Have an identification number and a date of expiration.

13. A temporary parking placard or temporary parking sticker is valid only for the period for which a physician has certified the disability, but in no case longer than 6 months. If the temporary disability continues after the period for which the physician has certified the disability, the person with the temporary disability must renew the temporary parking placard or temporary parking sticker before the temporary parking placard or temporary parking sticker expires. The person with the temporary disability shall include with the application for renewal a statement from a licensed physician certifying that the applicant continues to be a person with a temporary disability and the estimated period of the disability.

14. A special or temporary parking placard must be displayed in the vehicle when the vehicle is parked by hanging or attaching the placard to the rearview mirror of the vehicle. If the vehicle has no rearview mirror, the placard must be placed on the dashboard of the vehicle in such a manner that the placard can easily be seen from outside the vehicle when the vehicle is parked.

15. Upon issuing a special license plate pursuant to subsection 1, a special or temporary parking placard, or a special or temporary parking sticker, the Department, or the city or county, if applicable, shall issue a letter to the applicant that sets forth the name and address of the person with a permanent disability, disability of moderate duration or temporary disability to whom the special license plate, special or temporary parking placard or special or temporary parking sticker has been issued and:

(a) If the person receives special license plates, the license plate number designated for the plates; and

(b) If the person receives a special or temporary parking placard or a special or temporary parking sticker, the identification number and date of expiration indicated on the placard or sticker.

➡ The letter, or a legible copy thereof, must be kept with the vehicle for which the special license plate has been issued or in which the person to whom the special or temporary parking placard or special or temporary parking sticker has been issued is driving or is a passenger.

16. A special or temporary parking sticker must be affixed to the windscreen of the motorcycle ~~or~~ **or moped**. If the motorcycle **or moped** has no windscreen, the sticker must be affixed to any other part of the motorcycle **or moped** which may be easily seen when the motorcycle **or moped** is parked.

17. Special or temporary parking placards, special or temporary parking stickers, or special license plates issued pursuant to this section do not authorize parking in any area on a highway where parking is prohibited by law.

18. No person, other than the person certified as being a person with a permanent disability, disability of moderate duration or temporary disability,

or a person actually transporting such a person, may use the special license plate or plates or a special or temporary parking placard, or a special or temporary parking sticker issued pursuant to this section to obtain any special parking privileges available pursuant to this section.

19. Any person who violates the provisions of subsection 18 is guilty of a misdemeanor.

20. The Department may review the eligibility of each holder of a special parking placard, a special parking sticker or special license plates, or any combination thereof. Upon a determination of ineligibility by the Department, the holder shall surrender the special parking placard, special parking sticker or special license plates, or any combination thereof, to the Department.

21. The Department may adopt such regulations as are necessary to carry out the provisions of this section.

Sec. 9.3. NRS 482.399 is hereby amended to read as follows:

482.399 1. Upon the transfer of the ownership of or interest in any vehicle by any holder of a valid registration, or upon destruction of the vehicle, the registration expires.

2. Except as otherwise provided in subsection 3 of NRS 482.483, **and section 1 of this act**, the holder of the original registration may transfer the registration to another vehicle to be registered by the holder and use the same regular license plate or plates or special license plate or plates issued pursuant to NRS 482.3667 to 482.3823, inclusive, or 482.384, on the vehicle from which the registration is being transferred, if the license plate or plates are appropriate for the second vehicle, upon filing an application for transfer of registration and upon paying the transfer registration fee and the excess, if any, of the registration fee and governmental services tax on the vehicle to which the registration is transferred over the total registration fee and governmental services tax paid on all vehicles from which he or she is transferring ownership or interest. Except as otherwise provided in NRS 482.294, an application for transfer of registration must be made in person, if practicable, to any office or agent of the Department or to a registered dealer, and the license plate or plates may not be used upon a second vehicle until registration of that vehicle is complete.

3. In computing the governmental services tax, the Department, its agent or the registered dealer shall credit the portion of the tax paid on the first vehicle attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the second vehicle or on any other vehicle of which the person is the registered owner. If any person transfers ownership or interest in two or more vehicles, the Department or the registered dealer shall credit the portion of the tax paid on all of the vehicles attributable to the remainder of the current registration period or calendar year on a pro rata monthly basis against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner. The certificates of registration and unused license plates of the vehicles from which a person transfers ownership or

interest must be submitted before credit is given against the tax due on the vehicle to which the registration is transferred or on any other vehicle of which the person is the registered owner.

4. In computing the registration fee, the Department or its agent or the registered dealer shall credit the portion of the registration fee paid on each vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis against the registration fee due on the vehicle to which registration is transferred.

5. If the amount owed on the registration fee or governmental services tax on the vehicle to which registration is transferred is less than the credit on the total registration fee or governmental services tax paid on all vehicles from which a person transfers ownership or interest, no refund may be allowed by the Department.

6. If the license plate or plates are not appropriate for the second vehicle, the plate or plates must be surrendered to the Department or registered dealer and an appropriate plate or plates must be issued by the Department. The Department shall not reissue the surrendered plate or plates until the next succeeding licensing period.

7. If application for transfer of registration is not made within 60 days after the destruction or transfer of ownership or interest in any vehicle, the license plate or plates must be surrendered to the Department on or before the 60th day for cancellation of the registration.

8. Except as otherwise provided in subsection 2 of NRS 371.040 and ~~subsection~~ **subsections 7 and 8** of NRS 482.260, **and section 1 of this act**, if a person cancels his or her registration and surrenders to the Department the license plates for a vehicle, the Department shall, in accordance with the provisions of subsection 9, issue to the person a refund of the portion of the registration fee and governmental services tax paid on the vehicle attributable to the remainder of the current calendar year or registration period on a pro rata basis.

9. The Department shall issue a refund pursuant to subsection 8 only if the request for a refund is made at the time the registration is cancelled and the license plates are surrendered, the person requesting the refund is a resident of Nevada, the amount eligible for refund exceeds \$100, and evidence satisfactory to the Department is submitted that reasonably proves the existence of extenuating circumstances. For the purposes of this subsection, the term "extenuating circumstances" means circumstances wherein:

(a) The person has recently relinquished his or her driver's license and has sold or otherwise disposed of his or her vehicle.

(b) The vehicle has been determined to be inoperable and the person does not transfer the registration to a different vehicle.

(c) The owner of the vehicle is seriously ill or has died and the guardians or survivors have sold or otherwise disposed of the vehicle.

(d) Any other event occurs which the Department, by regulation, has defined to constitute an “extenuating circumstance” for the purposes of this subsection.

Sec. 10. NRS 482.451 is hereby amended to read as follows:

482.451 1. The Department shall, upon receiving an order from a court to suspend the registration of each motor vehicle that is registered to or owned by a person pursuant to NRS 484C.520, suspend the registration of each such motor vehicle for 5 days and require the return to the Department of the license plates of each such motor vehicle.

2. If the registration of a motor vehicle of a person is suspended pursuant to this section, the person shall immediately return the certificate of registration and the license plates to the Department.

3. The period of suspension of the registration of a motor vehicle that is suspended pursuant to this section begins on the effective date of the suspension as set forth in the notice thereof.

4. The Department shall reinstate the registration of a motor vehicle that was suspended pursuant to this section and reissue the license plates of the motor vehicle only upon the payment of the fee for reinstatement of registration prescribed in subsection ~~10~~ **11** of NRS 482.480.

5. The suspension of the registration of a motor vehicle pursuant to this section does not prevent the owner of the motor vehicle from selling or otherwise transferring an interest in the motor vehicle.

Sec. 11. NRS 482.480 is hereby amended to read as follows:

482.480 There must be paid to the Department for the registration or the transfer or reinstatement of the registration of motor vehicles, trailers and semitrailers, fees according to the following schedule:

1. Except as otherwise provided in this section, for each stock passenger car and each reconstructed or specially constructed passenger car registered to a person, regardless of weight or number of passenger capacity, a fee for registration of \$33.

2. Except as otherwise provided in subsection 3:

(a) For each of the fifth and sixth such cars registered to a person, a fee for registration of \$16.50.

(b) For each of the seventh and eighth such cars registered to a person, a fee for registration of \$12.

(c) For each of the ninth or more such cars registered to a person, a fee for registration of \$8.

3. The fees specified in subsection 2 do not apply:

(a) Unless the person registering the cars presents to the Department at the time of registration the registrations of all the cars registered to the person.

(b) To cars that are part of a fleet.

4. For every motorcycle, a fee for registration of \$33 and for each motorcycle other than a trimobile, an additional fee of \$6 for motorcycle safety. The additional fee must be deposited in the State General Fund for

credit to the Account for the Program for the Education of Motorcycle Riders created by NRS 486.372.

5. ***For every moped, a one-time fee for registration of \$33.***

6. For each transfer of registration, a fee of \$6 in addition to any other fees.

~~{6-}~~ 7. Except as otherwise provided in subsection 6 of NRS 485.317, to reinstate the registration of a motor vehicle that is suspended pursuant to that section:

(a) A fee as specified in NRS 482.557 for a registered owner who failed to have insurance on the date specified by the Department, which fee is in addition to any fine or penalty imposed pursuant to NRS 482.557; or

(b) A fee of \$50 for a registered owner of a dormant vehicle who cancelled the insurance coverage for that vehicle or allowed the insurance coverage for that vehicle to expire without first cancelling the registration for the vehicle in accordance with subsection 3 of NRS 485.320,

↪ both of which must be deposited in the Account for Verification of Insurance which is hereby created in the State Highway Fund. The money in the Account must be used to carry out the provisions of NRS 485.313 to 485.318, inclusive.

~~{7-}~~ 8. For every travel trailer, a fee for registration of \$27.

~~{8-}~~ 9. For every permit for the operation of a golf cart, an annual fee of \$10.

~~{9-}~~ 10. For every low-speed vehicle, as that term is defined in NRS 484B.637, a fee for registration of \$33.

~~{10-}~~ 11. To reinstate the registration of a motor vehicle that is suspended pursuant to NRS 482.451 or 482.458, a fee of \$33.

~~{11-}~~ 12. For each vehicle for which the registered owner has indicated his or her intention to opt in to making a contribution pursuant to paragraph (h) of subsection 3 of NRS 482.215 or subsection 4 of NRS 482.280, a contribution of \$2. The contribution must be distributed to the appropriate county pursuant to NRS 482.1825.

Sec. 12. (Deleted by amendment.)

Sec. 13. NRS 484B.467 is hereby amended to read as follows:

484B.467 1. Any parking space designated for persons who are handicapped must be indicated by a sign:

(a) Bearing the international symbol of access with or without the words "Parking," "Handicapped Parking," "Handicapped Parking Only" or "Reserved for the Handicapped," or any other word or combination of words indicating that the space is designated for persons who are handicapped;

(b) Stating "Minimum fine of \$250 for use by others" or equivalent words; and

(c) The bottom of which must be not less than 4 feet above the ground.

2. In addition to the requirements of subsection 1, a parking space designated for persons who are handicapped which:

(a) Is designed for the exclusive use of a vehicle with a side-loading wheelchair lift; and

(b) Is located in a parking lot with 60 or more parking spaces,
➡ must be indicated by a sign using a combination of words to state that the space is for the exclusive use of a vehicle with a side-loading wheelchair lift.

3. If a parking space is designed for the use of a vehicle with a side-loading wheelchair lift, the space which is immediately adjacent and intended for use in the loading and unloading of a wheelchair into or out of such a vehicle must be indicated by a sign:

(a) Stating “No Parking” or similar words which indicate that parking in such a space is prohibited;

(b) Stating “Minimum fine of \$250 for violation” or similar words indicating that the minimum fine for parking in such a space is \$250; and

(c) The bottom of which must not be less than 4 feet above the ground.

4. An owner of private property upon which is located a parking space described in subsection 1, 2 or 3 shall erect and maintain or cause to be erected and maintained any sign required pursuant to subsection 1, 2 or 3, whichever is applicable. If a parking space described in subsection 1, 2 or 3 is located on public property, the governmental entity having control over that public property shall erect and maintain or cause to be erected and maintained any sign required pursuant to subsection 1, 2 or 3, whichever is applicable.

5. A person shall not park a vehicle in a space designated for persons who are handicapped by a sign that meets the requirements of subsection 1, whether on public or privately owned property, unless the person is eligible to do so and the vehicle displays:

(a) A special license plate or plates issued pursuant to NRS 482.384;

(b) A special or temporary parking placard issued pursuant to NRS 482.384;

(c) A special or temporary parking sticker issued pursuant to NRS 482.384;

(d) A special license plate or plates, a special or temporary parking sticker, or a special or temporary parking placard displaying the international symbol of access issued by another state or a foreign country; or

(e) A special license plate or plates for a veteran with a disability issued pursuant to NRS 482.377.

6. Except as otherwise provided in this subsection, a person shall not park a vehicle in a space that is reserved for the exclusive use of a vehicle with a side-loading wheelchair lift and is designated for persons who are handicapped by a sign that meets the requirements of subsection 2, whether on public or privately owned property, unless:

(a) The person is eligible to do so;

(b) The vehicle displays the special license plate, plates or placard set forth in subsection 5; and

(c) The vehicle is equipped with a side-loading wheelchair lift.

➡ A person who meets the requirements of paragraphs (a) and (b) may park a vehicle that is not equipped with a side-loading wheelchair lift in such a parking space if the space is in a parking lot with fewer than 60 parking spaces.

7. A person shall not park in a space which:

(a) Is immediately adjacent to a space designed for use by a vehicle with a side-loading wheelchair lift; and

(b) Is designated as a space in which parking is prohibited by a sign that meets the requirements of subsection 3,

↪ whether on public or privately owned property.

8. A person shall not use a plate, sticker or placard set forth in subsection 5 to park in a space designated for persons who are handicapped unless he or she is a person with a permanent disability, disability of moderate duration or temporary disability, a veteran with a disability or the driver of a vehicle in which any such person is a passenger.

9. A person with a permanent disability, disability of moderate duration or temporary disability to whom a:

(a) Special license plate, or a special or temporary parking sticker, has been issued pursuant to NRS 482.384 shall not allow any other person to park the vehicle, ~~for~~ motorcycle **or moped** displaying the special license plate or special or temporary parking sticker in a space designated for persons who are handicapped unless the person with the permanent disability, disability of moderate duration or temporary disability is a passenger in the vehicle or on the motorcycle ~~or~~ **or moped**, or is being picked up or dropped off by the driver of the vehicle, ~~for~~ motorcycle ~~or~~ **or moped**, at the time that the vehicle, ~~for~~ motorcycle **or moped** is parked in the space designated for persons who are handicapped.

(b) Special or temporary parking placard has been issued pursuant to NRS 482.384 shall not allow any other person to park the vehicle which displays the special or temporary parking placard in a space designated for persons who are handicapped unless the person with the permanent disability, disability of moderate duration or temporary disability is a passenger in the vehicle, or is being picked up or dropped off by the driver of the vehicle, at the time that it is parked in the space designated for persons who are handicapped.

10. A person who violates any of the provisions of subsections 5 to 9, inclusive, is guilty of a misdemeanor and shall be punished:

(a) Upon the first offense, by a fine of \$250.

(b) Upon the second offense, by a fine of \$250 and not less than 8 hours, but not more than 50 hours, of community service.

(c) Upon the third or subsequent offense, by a fine of not less than \$500, but not more than \$1,000 and not less than 25 hours, but not more than 100 hours, of community service.

Sec. 14. NRS 485.185 is hereby amended to read as follows:

485.185 ~~Every~~

1. Except as otherwise provided in subsection 2, every owner of a motor vehicle which is registered or required to be registered in this State shall continuously provide, while the motor vehicle is present or registered in this State, insurance provided by an insurance company licensed by the Division of Insurance of the Department of Business and Industry and approved to do business in this State:

~~1-1~~ (a) In the amount of \$15,000 for bodily injury to or death of one person in any one accident;

~~2-1~~ (b) Subject to the limit for one person, in the amount of \$30,000 for bodily injury to or death of two or more persons in any one accident; and

~~3-1~~ (c) In the amount of \$10,000 for injury to or destruction of property of others in any one accident,

➔ for the payment of tort liabilities arising from the maintenance or use of the motor vehicle.

2. *The provisions of this section do not apply to a moped.*

Sec. 15. NRS 485.317 is hereby amended to read as follows:

485.317 1. The Department shall verify that each motor vehicle which is registered in this State is covered by a policy of liability insurance as required by NRS 485.185.

2. Except as otherwise provided in this subsection, the Department may use any information to verify whether a motor vehicle is covered by a policy of liability insurance as required by NRS 485.185. The Department may not use the name of the owner of a motor vehicle as the primary means of verifying that a motor vehicle is covered by a policy of liability insurance.

3. If the Department is unable to verify that a motor vehicle is covered by a policy of liability insurance as required by NRS 485.185, the Department shall send a request for information by first-class mail to the registered owner of the motor vehicle. The owner shall submit all the information which is requested to the Department within 15 days after the date on which the request for information was mailed by the Department. If the Department does not receive the requested information within 15 days after it mailed the request to the owner, the Department shall send to the owner a notice of suspension of registration by certified mail. The notice must inform the owner that unless the Department is able to verify that the motor vehicle is covered by a policy of liability insurance as required by NRS 485.185 within 10 days after the date on which the notice was sent by the Department, the owner's registration will be suspended pursuant to subsection 4.

4. The Department shall suspend the registration and require the return to the Department of the license plates of any vehicle for which the Department cannot verify the coverage of liability insurance required by NRS 485.185.

5. Except as otherwise provided in subsection 6, the Department shall reinstate the registration of the vehicle and reissue the license plates only upon verification of current insurance and compliance with the requirements for reinstatement of registration prescribed in paragraph (a) of subsection ~~6~~ 7 of NRS 482.480.

6. If the Department suspends the registration of a motor vehicle pursuant to subsection 4 because the registered owner of the motor vehicle failed to have insurance on the date specified in the form for verification, and if the registered owner, in accordance with regulations adopted by the Department, proves to the satisfaction of the Department that the owner was unable to comply with the provisions of NRS 485.185 on that date because of extenuating

circumstances or that the motor vehicle was a dormant vehicle and the owner failed to cancel the registration in accordance with subsection 3 of NRS 485.320, the Department may:

(a) Reinstate the registration of the motor vehicle and reissue the license plates upon payment by the registered owner of a fee of \$50, which must be deposited in the Account for Verification of Insurance created by subsection ~~6~~ 7 of NRS 482.480; or

(b) Remove the suspension of the registration without the payment of a fee or administrative fine.

↪ The Department shall adopt regulations to carry out the provisions of this subsection.

Sec. 15.19. NRS 248.320 is hereby amended to read as follows:

248.320 ~~[No]~~ **Except as otherwise provided in subsection 5 of section 1 of this act, no** other fees shall be charged by sheriffs than those specifically set forth in this chapter, nor shall fees be charged for any other services than those mentioned in this chapter.

Sec. 15.2. NRS 371.040 is hereby amended to read as follows:

371.040 1. Except as otherwise provided in ~~subsection~~ **subsections 2 and 3**, the annual amount of the basic governmental services tax throughout the State is 4 cents on each \$1 of valuation of the vehicle as determined by the Department.

2. A full trailer or semitrailer registered pursuant to subsection 3 of NRS 482.483 is subject to the basic governmental services tax in the nonrefundable amount of \$86 each time such a full trailer or semitrailer is registered pursuant to subsection 3 of NRS 482.483.

3. The amount of the basic governmental services tax imposed on a moped registered pursuant to section 1 of this act is 4 cents on each \$1 of valuation of the moped as determined by the Department at the time of registration.

Sec. 15.4. NRS 371.060 is hereby amended to read as follows:

371.060 1. Except as otherwise provided in subsection 2 and subsection 2 of NRS 371.040 ~~and section 1 of this act~~, each vehicle must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New	100 percent
1 year.....	95 percent
2 years	85 percent
3 years	75 percent
4 years	65 percent
5 years	55 percent
6 years	45 percent
7 years	35 percent

8 years	25 percent
9 years or more	15 percent

2. Except as otherwise provided in ~~subsection~~ **subsections 2 and 3** of NRS 371.040, each bus, truck or truck-tractor having a declared gross weight of 10,000 pounds or more and each trailer or semitrailer having an unladen weight of 4,000 pounds or more must be depreciated by the Department for the purposes of the annual governmental services tax according to the following schedule:

Age	Percentage of Initial Value
New	100 percent
1 year	85 percent
2 years	69 percent
3 years	57 percent
4 years	47 percent
5 years	38 percent
6 years	33 percent
7 years	30 percent
8 years	27 percent
9 years	25 percent
10 years or more	23 percent

3. Notwithstanding any other provision of this section, the minimum amount of the governmental services tax:

(a) On any trailer having an unladen weight of 1,000 pounds or less is \$3; and

(b) On any other vehicle is \$16.

4. For the purposes of this section, a vehicle shall be deemed a “new” vehicle if the vehicle has never been registered with the Department and has never been registered with the appropriate agency of any other state, the District of Columbia, any territory or possession of the United States or any foreign state, province or country.

Sec. 15.6. NRS 371.070 is hereby amended to read as follows:

371.070 Except as otherwise provided in ~~subsection~~ **subsections 2 and 3** of NRS 371.040, upon the registration for the first time in this State after the beginning of the period of registration of a vehicle which is registered pursuant to the provisions of NRS 706.801 to 706.861, inclusive, or which has a declared gross weight in excess of 26,000 pounds, the amount of the governmental services tax must be reduced one-twelfth for each month which has elapsed since the beginning of the period of registration.

Sec. 15.8. NRS 445B.760 is hereby amended to read as follows:

445B.760 1. The Commission may by regulation prescribe standards for exhaust emissions, fuel evaporative emissions and visible emissions of smoke from mobile internal combustion engines on the ground or in the air, including,

but not limited to, aircraft, motor vehicles, snowmobiles and railroad locomotives. The regulations must provide for the exemption from such standards of ~~for~~ :

(a) A moped registered pursuant to section 1 of this act; and

(b) A vehicle for which special license plates have been issued pursuant to NRS 482.381, 482.3812, 482.3814 or 482.3816 if the owner of such a vehicle certifies to the Department of Motor Vehicles, on a form provided by the Department of Motor Vehicles, that the vehicle was not driven more than 5,000 miles during the immediately preceding year.

2. Except as otherwise provided in subsection 3, standards for exhaust emissions which apply to a:

(a) Reconstructed vehicle, as defined in NRS 482.100; and

(b) Trimobile, as defined in NRS 482.129,

↪ must be based on standards which were in effect in the year in which the engine of the vehicle was built.

3. A trimobile that meets the definition of a motorcycle in 40 C.F.R. § 86.402-78 or 86.402-98, as applicable, is not subject to emissions standards under this chapter.

4. Any such standards which pertain to motor vehicles must be approved by the Department of Motor Vehicles before they are adopted by the Commission.

Sec. 15.9. As soon as practicable, upon determining that sufficient resources are available to enable the Department of Motor Vehicles to carry out the amendatory provisions of this act, the Director of the Department shall notify the Governor and the Director of the Legislative Counsel Bureau of that fact, and shall publish on the Internet website of the Department notice to the public of that fact.

Sec. 16. This act becomes effective:

1. Upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. For all other purposes, on:

(a) January 1, 2017; or

(b) The date on which the Director of the Department of Motor Vehicles, pursuant to section 15.9 of this act, notifies the Governor and the Director of the Legislative Counsel Bureau that sufficient resources are available to enable the Department to carry out the amendatory provisions of this act,

↪ whichever occurs first.

Assemblyman Wheeler moved the adoption of the amendment.

Remarks by Assemblyman Wheeler.

ASSEMBLYMAN WHEELER:

Amendment 887 makes two changes to Senate Bill 404. It provides that in a county where the Department of Motor Vehicles [DMV] does not have an office, the owner of a moped may take the moped to the sheriff of that county or to a DMV location in another county for an inspection. It adds Senator Hammond and Assemblymen O'Neill and Silberkraus as joint sponsors of this bill.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 406.

Bill read second time.

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

Amendment No. 825.

AN ACT relating to public retirement systems; providing that certain members of public retirement systems who are convicted of or plead guilty or nolo contendere to certain felonies forfeit, with limited exceptions, all rights and benefits under the relevant system; amending the amount of postretirement increases for persons who become members of public retirement systems on or after July 1, 2015; providing an additional benefit option for a surviving spouse or survivor beneficiary of a police officer or firefighter killed in the line of duty or other member killed in the course of employment, judicial service or legislative service ~~to~~ **on or after July 1, 2013;** amending the age of eligibility to receive retirement benefits for persons, other than police officers or firefighters, who become members of the Public Employees' Retirement System or Judicial Retirement Plan on or after July 1, 2015; revising provisions relating to the calculation of the years of service of certain members of the Public Employees' Retirement System, the Judicial Retirement Plan and the Legislators' Retirement System; providing, with ~~the~~ limited ~~exception,~~ **exceptions,** that the purchase of service credit cannot be used to reduce the number of years of service a member of each respective retirement system must earn to retire with an unreduced benefit; limiting the amount of compensation that may be used to determine retirement benefits for persons who become members of public retirement systems on or after July 1, 2015; revising the formula for calculating retirement allowances for persons who become members of certain public retirement systems on or after July 1, 2015; clarifying that the term "spouse" includes a domestic partner for purposes of eligibility for survivor benefits from a public retirement system; removing the expiration date of certain provisions relating to retired public employees who fill positions for which there are critical labor shortages; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Retired public employees receive retirement allowances through membership in and contributions to the Public Employees' Retirement System. (Chapter 286 of NRS) ~~Retired.~~ **With certain exceptions, retired** justices of the Supreme Court, judges of the Court of Appeals, district judges, justices of the peace and municipal judges receive retirement allowances through membership in and contributions to the Judicial Retirement Plan. (Chapter 1A of NRS) **With certain exceptions,** Legislators receive retirement allowances through membership in and contributions to the Legislators' Retirement

System. (Chapter 218C of NRS) This bill makes a number of changes to these public retirement systems.

Sections 2, 17 and 26 of this bill provide that if a person becomes a member of the Public Employees' Retirement System, Judicial Retirement Plan or Legislators' Retirement System, respectively, on or after July 1, 2015, and that member is convicted of or pleads guilty or nolo contendere to certain felonies, the member forfeits, with limited exceptions, all rights and benefits under the relevant retirement system.

Existing law provides for postretirement increases for members of the Public Employees' Retirement System, Judicial Retirement Plan and Legislators' Retirement System. (NRS 1A.240, 286.571, 218C.510) **Section 3** of this bill reduces the postretirement increases for retirees who become members of the retirement systems on or after July 1, 2015.

Existing law sets forth several benefit options for surviving spouses of deceased members of the Public Employees' Retirement System, the Judicial Retirement Plan and the Legislators' Retirement System. (NRS 1A.590-1A.610, 218C.580, 286.674-286.6766) Existing law also sets forth several benefit options for survivor beneficiaries of deceased members of the Public Employees' Retirement System, the Judicial Retirement Plan and the Legislators' Retirement System if a member is unmarried on the date of the member's death. (NRS 1A.620-1A.650, 218C.580, 286.6767-286.6769) **Sections 4, 16 and 27** of this bill provide an additional benefit option for the spouse of a member who is killed in the line of duty, the course of employment, the course of judicial service or the course of legislative service, as applicable ~~to~~ **, on or after July 1, 2013.** This additional option authorizes the surviving spouse to receive a benefit that is equivalent to the greater of: (1) fifty percent of the salary of the member on the date of the member's death; or (2) one hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member. **Sections 4.5, 16.5 and 27.5** of this bill provide that this additional benefit option is available to a survivor beneficiary if the deceased member is unmarried on the date of the member's death. **Section 29.7 of this bill provides a method for the spouse or survivor beneficiary of a member who was killed in the line of duty, the course of employment, the course of judicial service or the course of legislative service during the period beginning on July 1, 2013, and ending on June 30, 2015, to select the additional benefit option set forth in section 4, 4.5, 16, 16.5, 27 or 27.5, as applicable.**

Under existing law, a person who becomes a member of the Public Employees' Retirement System on or after January 1, 2010, other than a police officer or firefighter, is eligible to retire at 65 years of age if he or she has at least 5 years of service, at 62 years of age if he or she has at least 10 years of service and at any age if he or she has at least 30 years of service. (NRS 286.510) **Section 5** of this bill provides that a person who becomes a member of the System on or after July 1, 2015, other than a police officer or

firefighter, is eligible to retire at 65 years of age if he or she has at least 5 years of service, at 62 years of age if he or she has at least 10 years of service, at 55 years of age if he or she has at least 30 years of service, and at any age if he or she has at least 33 1/3 years of service. **Section 20** of this bill makes the eligibility requirements for retirement relating to age and service consistent between public employees and justices of the Supreme Court, judges of the Court of Appeals, district judges, justices of the peace and municipal judges.

Sections 5, 20 and 28 of this bill provide, respectively, that for a member of the Public Employees' Retirement System, Judicial Retirement Plan or Legislators' Retirement System, the calculation of the member's years of service for the purpose of determining the age at which the member may retire with an unreduced benefit must not include any year or part of a year of service credit purchased by the member or , in certain circumstances, on behalf of the member. **Sections 5, 20 and 28** provide a limited exception if the member has a family medical emergency.

Under existing law, the amount of a member's monthly retirement benefit is based on the member's compensation while employed, subject to certain limitations. (NRS 1A.390, 1A.400, 1A.410, 286.535, 286.537, 286.551, 218C.520, 218C.530) **Sections 6, 21 and 29** of this bill limit the amount of compensation used to determine the retirement benefit of a person who becomes a member of a public retirement system on or after July 1, 2015, to \$200,000, plus certain adjustments based on changes in the Consumer Price Index.

Under existing law, the monthly retirement allowance for a person who became a member of the Public Employees' Retirement System on or after January 1, 2010, is calculated by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 2.5 percent for every year of service earned. (NRS 286.551) **Section 7** of this bill provides that the monthly retirement allowance for each person who has an effective date of membership on or after July 1, 2015, other than a police officer or firefighter, will be determined by multiplying the member's average compensation by 2.25 percent for every year of service with the member's eligibility for service credit ceasing at 33 1/3 years of service.

Under existing law, members of the Judicial Retirement Plan do not pay contributions into the Plan. (NRS 1A.180) **Section 15** of this bill requires members of the Plan who have an effective date of membership on or after July 1, 2015, to pay 50 percent of the required contributions to the Plan.

Under existing law, the monthly retirement allowance for a member of the Judicial Retirement Plan is calculated by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 3.4091 percent for every year of service earned. (NRS 1A.440) **Section 22** of this bill provides that the monthly retirement allowance for each person who has an effective date of membership on or after July 1, 2015, will be determined by multiplying the member's average compensation by 3.1591 percent for every year of service.

Sections 10, 14, 24 and 27 of this bill clarify that the term “spouse” includes a domestic partner for purposes of determining eligibility to receive survivor benefits from a public retirement system.

Existing law provides that a retired public employee who accepts employment or an independent contract with a public employer under the Public Employees’ Retirement System is disqualified under certain circumstances from receiving allowances under the System for the duration of that employment or contract. (NRS 286.520) Existing law also provides an exception to this disqualification if the retired public employee fills a position for which there is a critical labor shortage. (NRS 286.523) This exception is scheduled to expire on June 30, 2015. (Chapter 346, Statutes of Nevada 2009, p. 1550) **Sections 29.6 and 29.8** of this bill remove the expiration date of this exception.

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

Section 1. Chapter 286 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 4.5, inclusive, of this act.

Sec. 2. 1. *Except as otherwise provided in subsections 2 and 3, a member who is convicted of or pleads guilty or nolo contendere to any felony involving:*

- (a) Accepting or giving, or offering to give, any bribe;*
- (b) Embezzlement of public money;*
- (c) Extortion or theft of public money;*
- (d) Perjury; or*
- (e) Conspiracy to commit any crime set forth in paragraphs (a) to (d),*

inclusive,
↪ and arising directly out of his or her duties as an employee, forfeits all rights and benefits under the System.

2. Upon a conviction described in subsection 1, the System must return to the member, without interest, all contributions which the member has made and which were credited to the member’s individual account.

3. The provisions of subsections 1 and 2 apply only to persons who become members of the System on or after July 1, 2015.

Sec. 3. 1. *For a person who retires and who has an effective date of membership on or after July 1, 2015, allowances or benefits must be increased once each year on the first day of the month immediately following the anniversary date the person began receiving the allowance or benefit:*

(a) By 2 percent following the 3rd, 4th and 5th anniversaries of the commencement of benefits.

(b) By 2.5 percent following the 6th, 7th and 8th anniversaries of the commencement of benefits.

(c) By the lesser of 3 percent or the increase, if any, in the Consumer Price Index (All Items) published by the United States Department of Labor for

the preceding calendar year following the 9th anniversary of the commencement of benefits and each year thereafter.

2. The base from which the increase provided by this section must be calculated is the allowance or benefit in effect on the day before the increase becomes effective.

Sec. 4. 1. The spouse of a member who is a police officer or firefighter killed in the line of duty on or after July 1, 2013, or the spouse of any other member killed in the course of employment on or after July 1, 2013, is entitled to receive a monthly allowance equivalent to the greater of:

(a) Fifty percent of the salary of the member on the date of the member's death; or

(b) One hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member.

2. The benefits provided by this section must be paid to the spouse for the remainder of the spouse's life.

3. The spouse may elect to receive the benefits provided by any one of the following only:

(a) This section;

(b) NRS 286.674;

(c) NRS 286.676;

(d) NRS 286.6765; or

(e) NRS 286.6766.

4. For the purposes of this section, the Board shall define by regulation "killed in the line of duty" and "killed in the course of employment."

Sec. 4.5. 1. Except as otherwise provided in subsection 2, the survivor beneficiary of a member who is a police officer or firefighter killed in the line of duty on or after July 1, 2013, or the survivor beneficiary of any other member killed in the course of employment on or after July 1, 2013, is entitled to receive a monthly allowance equivalent to the greater of:

(a) Fifty percent of the salary of the member on the date of the member's death; or

(b) One hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member.

2. If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 286.6767, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payees in the proportion designated by the member pursuant to NRS 286.6767.

3. The benefits provided by this section must be paid to the survivor beneficiary for the remainder of the survivor beneficiary's life.

4. The survivor beneficiary may elect to receive the benefits provided by any one of the following only:

(a) This section;

- (b) *NRS 286.67675;*
- (c) *NRS 286.6768;*
- (d) *NRS 286.67685; or*
- (e) *NRS 286.6769.*

5. *For the purposes of this section, the Board shall define by regulation “killed in the line of duty” and “killed in the course of employment.”*

6. *As used in this section, “survivor beneficiary” means a person designated pursuant to NRS 286.6767.*

Sec. 5. NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as otherwise provided in subsections 2 and 3, a member of the System:

(a) Who has an effective date of membership before January 1, 2010, is eligible to retire at age 65 if the member has at least 5 years of service, at age 60 if the member has at least 10 years of service and at any age if the member has at least 30 years of service.

(b) Who has an effective date of membership on or after January 1, 2010, **and before July 1, 2015**, is eligible to retire at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service and at any age if the member has at least 30 years of service.

(c) *Who has an effective date of membership on or after July 1, 2015, is eligible to retire at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service, at age 55 if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service. For the purposes of this paragraph, any year or part of a year of service purchased by a member pursuant to subsection 2 or 3 of NRS 286.300 or purchased on behalf of the member pursuant to subsection 4 of NRS 286.300 or as authorized by NRS 286.3005 and subsections 1 and 2 of NRS 286.3007 must not be considered in determining the number of years of service of a member unless the member has a family medical emergency. For the purposes of this paragraph, the Board shall define by regulation “family medical emergency” and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a member who has a family medical emergency.*

2. A police officer or firefighter:

(a) Who has an effective date of membership before January 1, 2010, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 55 if the police officer or firefighter has at least 10 years of service, at age 50 if the police officer or firefighter has at least 20 years of service and at any age if the police officer or firefighter has at least 25 years of service.

(b) Who has an effective date of membership on or after January 1, 2010, **and before July 1, 2015**, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 60 if the police officer or

firefighter has at least 10 years of service and at age 50 if the police officer or firefighter has at least 20 years of service.

(c) Who has an effective date of membership on or after July 1, 2015, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 60 if the police officer or firefighter has at least 10 years of service and at age 50 if the police officer or firefighter has at least 20 years of service. For the purposes of this paragraph, any year or part of a year of service purchased by a police officer or firefighter pursuant to subsection 2 or 3 of NRS 286.300 or subsection 7 of NRS 286.367 or purchased on behalf of the police officer or firefighter as authorized by NRS 286.3005 and subsections 1 and 2 of NRS 286.3007 must not be considered in determining the number of years of service of a police officer or firefighter unless the police officer or firefighter has a family medical emergency. For the purposes of this paragraph, the Board shall define by regulation “family medical emergency” and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a police officer or firefighter who has a family medical emergency.

➔ Only service performed in a position as a police officer or firefighter, established as such by statute or regulation, service performed pursuant to subsection 3 and credit for military service, may be counted toward eligibility for retirement pursuant to this subsection.

3. Except as otherwise provided in subsection 4, a police officer or firefighter who has at least 5 years of service as a police officer or firefighter and is otherwise eligible to apply for disability retirement pursuant to NRS 286.620 because of an injury arising out of and in the course of the police officer’s or firefighter’s employment remains eligible for retirement pursuant to subsection 2 if:

(a) The police officer or firefighter applies to the Board for disability retirement and the Board approves the police officer’s or firefighter’s application;

(b) In lieu of a disability retirement allowance, the police officer or firefighter accepts another position with the public employer with which the police officer or firefighter was employed when the police officer or firefighter became disabled as soon as practicable but not later than 90 days after the Board approves the police officer’s or firefighter’s application for disability retirement;

(c) The police officer or firefighter remains continuously employed by that public employer until the police officer or firefighter becomes eligible for retirement pursuant to subsection 2; and

(d) After the police officer or firefighter accepts a position pursuant to paragraph (b), the police officer’s or firefighter’s contributions are paid at the rate that is actuarially determined for police officers and firefighters until the police officer or firefighter becomes eligible for retirement pursuant to subsection 2.

4. If a police officer or firefighter who accepted another position with the public employer with which the police officer or firefighter was employed when the police officer or firefighter became disabled pursuant to subsection 3 ceases to work for that public employer before becoming eligible to retire pursuant to subsection 2, the police officer or firefighter may begin to receive a disability retirement allowance without further approval by the Board by notifying the Board on a form prescribed by the Board.

5. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the System at the beginning of the police officer's or firefighter's credited service.

6. Any member who has the years of creditable service necessary to retire but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of NRS 286.537, a retirement benefit pursuant to this subsection must be reduced:

(a) If the member has an effective date of membership before January 1, 2010, by 4 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.33 percent for each additional month that the member is under the appropriate retirement age.

(b) If the member has an effective date of membership on or after January 1, 2010, by 6 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.5 percent for each additional month that the member is under the appropriate retirement age.

↪ Any option selected pursuant to this subsection must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

Sec. 6. NRS 286.535 is hereby amended to read as follows:

286.535 Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the System must not exceed:

1. For persons who first became members of the System before July 1, 1996, the limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1993.

2. For persons who first became members of the System on or after July 1, 1996, and before July 1, 2015, the limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 1996.

3. *For persons who first became members of the System on or after July 1, 2015, the lesser of:*

(a) *The limitation provided by section 401(a)(17) of the Internal Revenue Code (26 U.S.C. § 401(a)(17)), as that section existed on July 1, 2015; or*

(b) *Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to*

the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

Sec. 7. NRS 286.551 is hereby amended to read as follows:

286.551 Except as otherwise required as a result of NRS 286.535 or 286.537:

1. Except as otherwise provided in subsection 2:

(a) For a member who has an effective date of membership before January 1, 2010, a monthly service retirement allowance must be determined by multiplying ~~by~~ ***the*** member's average compensation by 2.5 percent for each year of service earned before July 1, 2001, and 2.67 percent for each year of service earned on or after July 1, 2001.

(b) ***For a member who is a police officer or firefighter and who has an effective date of membership on or after January 1, 2010, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.5 percent for each year of service earned.***

(c) For a member who ***is not a police officer or firefighter and who*** has an effective date of membership on or after January 1, 2010, ***and before July 1, 2015,*** a monthly service retirement allowance must be determined by multiplying ~~by~~ ***the*** member's average compensation by 2.5 percent for each year of service earned.

(d) ***For a member who is not a police officer or firefighter and who has an effective date of membership on or after July 1, 2015, a monthly service retirement allowance must be determined by multiplying the member's average compensation by 2.25 percent for each year of service earned.***

2. A member:

(a) ***Who is not a police officer or firefighter and who has an effective date of membership on or after July 1, 2015, is entitled to a benefit of not more than 75 percent of the member's average compensation with the member's eligibility for service credit ceasing at 33 1/3 years of service.***

(b) ***Who is not a police officer or firefighter and who*** has an effective date of membership on or after July 1, 1985, ***and before July 1, 2015,*** is entitled to a benefit of not more than 75 percent of the member's average compensation with the member's eligibility for service credit ceasing at 30 years of service.

~~((b))~~ (c) ***Who is a police officer or firefighter and who has an effective date of membership on or after July 1, 1985, is entitled to a benefit of not more than 75 percent of the member's average compensation with the member's eligibility for service credit ceasing at 30 years.***

(d) ***Who*** has an effective date of membership before July 1, 1985, and retires on or after July 1, 1977, is entitled to a benefit of not more than 90 percent of the member's average compensation with the member's eligibility for service credit ceasing at 36 years of service.

➤ In no case may the service retirement allowance determined pursuant to this section be less than the allowance to which the retired employee would have been entitled pursuant to the provisions of this section which were in effect on the day before July 3, 1991.

3. For the purposes of this section, except as otherwise provided in subsections 4, 5 and 6, "average compensation" means the average of a member's 36 consecutive months of highest compensation as certified by the public employer.

4. Except as otherwise provided in subsection 5, for an employee who becomes a member of the System on or after January 1, 2010, the following limits must be observed when calculating the member's average compensation based on a 60-month period that commences 24 months immediately preceding the 36 consecutive months of highest compensation:

(a) The compensation for the 13th through the 24th months may not exceed the actual compensation amount for the 1st through the 12th months by more than 10 percent;

(b) The compensation for the 25th through the 36th months may not exceed by more than 10 percent the lesser of:

(1) The maximum compensation amount allowed pursuant to paragraph (a); or

(2) The actual compensation amount for the 13th through the 24th months;

(c) The compensation for the 37th through the 48th months may not exceed by more than 10 percent the lesser of:

(1) The maximum compensation amount allowed pursuant to paragraph (b); or

(2) The actual compensation amount for the 25th through the 36th months; and

(d) The compensation for the 49th through the 60th months may not exceed by more than 10 percent the lesser of:

(1) The maximum average compensation amount allowed pursuant to paragraph (c); or

(2) The actual compensation amount for the 37th through the 48th months.

5. Compensation attributable to a promotion and assignment-related compensation must be excluded when calculating the limits pursuant to subsection 4.

6. The average compensation of a member who has a break in service or partial months of compensation, or both, as a result of service as a Legislator during a regular or special session of the Nevada Legislature must be calculated on the basis of the average of the member's 36 consecutive months of highest compensation as certified by the member's public employer excluding each month during any part of which the Legislature was in session. This subsection does not affect the computation of years of service.

7. The retirement allowance for a regular part-time employee must be computed from the salary which the employee would have received as a full-time employee if it results in greater benefits for the employee. A regular part-time employee is a person who works half-time or more, but less than full-time:

(a) According to the regular schedule established by the employer for the employee's position; and

(b) Pursuant to an established agreement between the employer and the employee.

Sec. 8. NRS 286.571 is hereby amended to read as follows:

286.571 1. Except as otherwise provided in subsection 2, for a person who retires and who has an effective date of membership on or after January 1, 2010, **and before July 1, 2015**, allowances or benefits must be increased once each year on the first day of the month immediately following the anniversary of the date the person began receiving the allowance or benefit, by the lesser of:

(a) Two percent following the 3rd anniversary of the commencement of benefits, 3 percent following the 6th anniversary of the commencement of benefits, 3.5 percent following the 9th anniversary of the commencement of benefits, 4 percent following the 12th anniversary of the commencement of benefits and each year thereafter; or

(b) The average percentage of increase in the Consumer Price Index (All Items) for the 3 preceding years, unless a different index is substituted by the Board.

2. In any event, the allowance or benefit of a member must be increased by the percentages set forth in paragraph (a) of subsection 1 if the allowance or benefit of a member has not increased at a rate greater than or equal to the average of the Consumer Price Index (All Items), unless a different index is substituted by the Board, for the period between the date of the member's retirement and the date specified in subsection 1.

3. The Board may use a different index for the calculation made pursuant to paragraph (b) of subsection 1 if:

(a) The substituted index is compiled and published by the United States Department of Labor; and

(b) The Board determines that the substituted index represents a more accurate measurement of the cost of living for retired employees.

4. The base from which the increase provided by this section must be calculated is the allowance or benefit in effect on the day before the increase becomes effective.

Sec. 9. NRS 286.5756 is hereby amended to read as follows:

286.5756 1. ~~{A}~~ **Except as otherwise provided in NRS 286.571 and section 3 of this act**, a person is entitled to the increase provided in this section if the person began receiving an allowance or benefit:

(a) Before September 1, 1983, and has received the allowance or benefit for at least 6 continuous months in the 12 months preceding the effective date of the increase; or

(b) At least 3 years before the increase.

2. Except as otherwise provided in subsection 3, allowances or benefits increase once each year on the first day of the month immediately following

the anniversary of the date the person began receiving the allowance or benefit, by the lesser of:

(a) Two percent following the 3rd anniversary of the commencement of benefits, 3 percent following the 6th anniversary of the commencement of benefits, 3.5 percent following the 9th anniversary of the commencement of benefits, 4 percent following the 12th anniversary of the commencement of benefits and 5 percent following the 14th anniversary of the commencement of benefits; or

(b) The average percentage of increase in the Consumer Price Index (All Items) for the 3 preceding years, unless a different index is substituted by the Board.

3. In any event, the allowance or benefit of a member must be increased by the percentages set forth in paragraph (a) of subsection 2 if the allowance or benefit of a member has not increased at a rate greater than or equal to the average of the Consumer Price Index (All Items), unless a different index is substituted by the Board, for the period between the date of the member's retirement and the date specified in subsection 2.

4. The Board may use a different index for the calculation made pursuant to paragraph (b) of subsection 2 if:

(a) The substituted index is compiled and published by the United States Department of Labor; and

(b) The Board determines that the substituted index represents a more accurate measurement of the cost of living for retired employees.

5. The base from which the increase provided by this section must be calculated is the allowance or benefit in effect on the day before the increase becomes effective.

Sec. 10. NRS 286.671 is hereby amended to read as follows:

286.671 As used in NRS 286.671 to 286.679, inclusive ~~§~~, **and sections 4 and 4.5 of this act:**

1. "Child" means an unmarried person under 18 years of age who is the issue or legally adopted child of a deceased member. As used in this subsection, "issue" means the progeny or biological offspring of the deceased member.

2. "Dependent parent" means the surviving parent of a deceased member who was dependent upon the deceased member for at least 50 percent of the surviving parent's support for at least 6 months immediately preceding the death of the deceased member.

3. ***"Domestic partner" means a person who is in a domestic partnership that is registered pursuant to chapter 122A of NRS, and that has not been terminated pursuant to that chapter.***

4. "Spouse" means the surviving husband or wife **or domestic partner** of a deceased member.

Sec. 11. NRS 286.672 is hereby amended to read as follows:

286.672 1. Except as otherwise provided in subsection 3 ~~§~~ **and sections 4 and 4.5 of this act**, if a deceased member had 2 years of accredited

contributing service in the 2 1/2 years immediately preceding the member's death or was a regular, part-time employee who had 2 or more years of creditable contributing service before and at least 1 day of contributing service within 6 months immediately preceding the member's death, or if the employee had 10 or more years of accredited contributing service, certain of the deceased member's dependents are eligible for payments as provided in NRS 286.671 to 286.679, inclusive ~~1~~, **and sections 4 and 4.5 of this act**. If the death of the member resulted from a mental or physical condition which required the member to leave the employ of a participating public employer or go on leave without pay, eligibility pursuant to the provisions of this section extends for 18 months after the member's termination or commencement of leave without pay.

2. If the death of a member occurs while the member is on leave of absence granted by the member's employer for further training and if the member met the requirements of subsection 1 at the time the member's leave began, certain of the deceased member's dependents are eligible for payments as provided in subsection 1.

3. If the death of a member is caused by an occupational disease or an accident arising out of and in the course of the member's employment, no prior contributing service is required to make the deceased member's dependents eligible for payments pursuant to NRS 286.671 to 286.679, inclusive, **and sections 4 and 4.5 of this act**, except that this subsection does not apply to an accident occurring while the member is traveling between the member's home and the member's principal place of employment or to an accident or occupational disease arising out of employment for which no contribution is made.

4. As used in this section, "dependent" includes a survivor beneficiary designated pursuant to NRS 286.6767.

Sec. 12. NRS 286.679 is hereby amended to read as follows:

286.679 1. If payments to a beneficiary pursuant to NRS 286.671 to 286.679, inclusive, **and sections 4 and 4.5 of this act**, cease before the total contributions of a deceased member have been paid in benefits, and there is no person entitled to receive such benefits pursuant to any provision of this chapter, the surplus of such contributions over the benefits actually received may be paid in a lump sum to:

(a) The beneficiary whom the deceased member designated for this purpose in writing on a form approved by the System.

(b) If no such designation was made or the person designated is deceased, the beneficiary who previously received the payments.

(c) If no payment may be made pursuant to paragraphs (a) and (b), the persons entitled as heirs or residuary legatees to the estate of the deceased member.

2. A lump-sum payment made pursuant to this section fully discharges the obligations of the System.

Sec. 13. Chapter 1A of NRS is hereby amended by adding thereto the provisions set forth as sections 14 to 17, inclusive, of this act.

Sec. 14. *“Domestic partner” means a person who is in a domestic partnership which is registered pursuant to chapter 122A of NRS and which has not been terminated pursuant to that chapter.*

Sec. 15. *For members of the Judicial Retirement Plan who have an effective date of membership on or after July 1, 2015:*

1. *A member must pay 50 percent of the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan pursuant to NRS 1A.180.*

2. *The amount described in subsection 1 must be deducted from each payroll during the period of the member’s membership in the Judicial Retirement Plan and transmitted to the Board at intervals designated and upon forms prescribed by the Board. The contributions must be paid on compensation earned by a member from the member’s first day of service.*

3. *The Judicial Retirement Plan shall guarantee to each member the return of at least the total contributions which the member has made and which were credited to the member’s individual account. These contributions may be returned to the member, the member’s estate or beneficiary or a combination thereof in monthly benefits, a lump-sum refund or both. The relevant provisions of NRS 286.430 apply to a member of the Judicial Retirement Plan who withdraws his or her contributions to the Plan pursuant to this section.*

Sec. 16. 1. *The spouse of a member killed in the course of judicial service on or after July 1, 2013, is entitled to receive a monthly allowance equivalent to the greater of:*

(a) Fifty percent of the salary of the member on the date of the member’s death; or

(b) One hundred percent of the retirement allowance that the member was eligible to receive based on the member’s years of service obtained before the member’s death without any reduction for age for the deceased member.

2. *The benefits provided by this section must be paid to the spouse for the remainder of the spouse’s life.*

3. *The spouse may elect to receive the benefits by any one of the following only:*

(a) This section;

(b) NRS 1A.590;

(c) NRS 1A.600; or

(d) NRS 1A.610.

4. *For the purposes of this section, the Board shall define by regulation “killed in the course of judicial service.”*

Sec. 16.5. 1. *Except as otherwise provided in subsection 2, the survivor beneficiary of a member of the Judicial Retirement Plan killed in the course of judicial service on or after July 1, 2013, is entitled to receive a monthly allowance equivalent to the greater of:*

(a) *Fifty percent of the salary of the member on the date of the member's death; or*

(b) *One hundred percent of the retirement allowance that the member was eligible to receive based on the member's years of service obtained before the member's death without any reduction for age for the deceased member.*

2. *If the member had designated one or more payees in addition to the survivor beneficiary pursuant to NRS 1A.620, the monthly allowance to which a survivor beneficiary is entitled pursuant to subsection 1 must be divided between the survivor beneficiary and any additional payees in the proportion designated by the member pursuant to NRS 1A.620.*

3. *The benefits provided by this section must be paid to the survivor beneficiary for the remainder of the beneficiary's life.*

4. *The survivor beneficiary may elect to receive the benefits provided by any one of the following only:*

(a) *This section;*

(b) *NRS 1A.630;*

(c) *NRS 1A.640; or*

(d) *NRS 1A.650.*

5. *For the purposes of this section, the Board shall define by regulation "killed in the course of judicial service."*

6. *As used in this section, "survivor beneficiary" means a person designated pursuant to NRS 1A.620.*

Sec. 17. 1. *Except as otherwise provided in subsections 2 and 3, a member of the System who is convicted of or pleads guilty or nolo contendere to any felony involving:*

(a) *Accepting or giving, or offering to give, any bribe;*

(b) *Embezzlement of public money;*

(c) *Extortion or theft of public money;*

(d) *Perjury; or*

(e) *Conspiracy to commit any crime set forth in paragraphs (a) to (d), inclusive,*

↪ and arising directly out of his or her duties in judicial service, forfeits all rights and benefits under the System.

2. *Upon a conviction described in subsection 1, the System must return to the member, without interest, all contributions which the member has made and which were credited to the member's individual account.*

3. *The provisions of subsections 1 and 2 apply only to persons who become members of the System on or after July 1, 2015.*

Sec. 18. NRS 1A.160 is hereby amended to read as follows:

1A.160 1. The Judicial Retirement Fund is hereby established as a trust fund.

2. It is hereby declared to be the policy of the Legislature that the Judicial Retirement Fund is established to afford a degree of security to long-time justices of the Supreme Court, judges of the Court of Appeals, district judges, justices of the peace and municipal judges in this State. The money in the Fund

must not be used or appropriated for any purpose incompatible with the provisions of this chapter or NRS 2.060 to 2.083, inclusive, 2A.100 to 2A.150, inclusive, or 3.090 to 3.099, inclusive. The Fund must be invested and administered to ensure the highest return consistent with safety in accordance with accepted investment practices.

3. All money appropriated by the Legislature to the Judicial Retirement Fund, all money submitted to the System for deposit in the Fund pursuant to NRS 1A.180 **and section 15 of this act**, and all income accruing to the Fund from all other sources must be deposited in the Fund.

4. The interest and income earned on the money in the Judicial Retirement Fund, after deducting any applicable charges, must be credited to the Fund.

5. The System must pay all retirement allowances, benefits, optional settlements and other obligations or payments payable by the System pursuant to this chapter and NRS 2.060 to 2.083, inclusive, 2A.100 to 2A.150, inclusive, and 3.090 to 3.099, inclusive, from the Judicial Retirement Fund. The money in the Fund must be expended by the Board for the payment of expenses authorized by law to be paid from the Fund.

Sec. 19. NRS 1A.180 is hereby amended to read as follows:

1A.180 ***Except as otherwise provided in section 15 of this act:***

1. The Court Administrator shall submit to the System for deposit in the Judicial Retirement Fund on behalf of each justice of the Supreme Court, judge of the Court of Appeals or district judge who is a member of the System the percentage of compensation of the member that is determined by the actuary of the System to be required to pay the normal cost incurred in making payments for such members pursuant to subsection 5 of NRS 1A.160 and the administrative expenses of the System that are attributable to such members. Such payments must be:

(a) Accompanied by payroll reports that include information deemed necessary by the Board to carry out its duties; and

(b) Received by the System not later than 15 days after the calendar month for which the compensation and service credits of members of the System are reported and certified by the Court Administrator. The compensation must be reported separately for each month that it is paid.

2. The State of Nevada shall make an appropriation to the Court Administrator and the Court Administrator shall pay to the System for deposit in the Judicial Retirement Fund from any fund created for the purpose of paying pension benefits to justices of the Supreme Court, judges of the Court of Appeals or district judges an amount as the contribution of the State of Nevada as employer which is actuarially determined to be sufficient to provide the System with enough money to pay the benefits for justices of the Supreme Court, judges of the Court of Appeals and district judges for which the System will be liable.

3. Upon the participation of a justice of the peace or municipal judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the county or city shall submit to the System for deposit in the Judicial Retirement Fund on behalf of

each justice of the peace or municipal judge who is a member of the System the percentage of compensation of the member that is determined by the actuary of the System to be required to pay the normal cost incurred in making payments for such members pursuant to subsection 5 of NRS 1A.160 and the administrative expenses of the System that are attributable to such members. Such payments must be:

(a) Accompanied by payroll reports that include information deemed necessary by the Board to carry out its duties; and

(b) Received by the System not later than 15 days after the calendar month for which the compensation and service credits of members of the System are reported and certified by the county or city. The compensation must be reported separately for each month that it is paid.

4. Upon the participation of a justice of the peace or municipal judge in the Judicial Retirement Plan pursuant to NRS 1A.285, the county or city shall pay to the System for deposit in the Judicial Retirement Fund an amount as the contribution of the county or city as employer which is actuarially determined to be sufficient to provide the System with enough money to pay the benefits for justices of the peace and municipal judges for which the System will be liable.

5. Except as otherwise provided in this subsection, the total contribution rate that is actuarially determined for members of the Judicial Retirement Plan must be adjusted on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report. The adjusted rate must be rounded to the nearest one-quarter of 1 percent. The total contribution rate must not be adjusted pursuant to this subsection if the existing rate is within one-half of 1 percent of the actuarially determined rate.

Sec. 20. NRS 1A.350 is hereby amended to read as follows:

1A.350 1. A member of the Judicial Retirement Plan :

(a) Who has an effective date of membership before July 1, 2015, is eligible to retire at the age of 65 years if the member has at least 5 years of service, at the age of 60 years if the member has at least 10 years of service and at any age if the member has at least 30 years of service.

(b) Who has an effective date of membership on or after July 1, 2015, is eligible to retire at the age of 65 years if the member has at least 5 years of service, at the age of 62 years if the member has at least 10 years of service, ~~and~~ at the age of 55 years if the member has at least 30 years of service and at any age if the member has at least 33 1/3 years of service. For the purposes of this paragraph, any year or part of a year of service purchased pursuant to NRS 1A.310 by a member of the Judicial Retirement Plan who has an effective date of membership on or after July 1, 2015, must not be considered in determining the number of years of service of the member unless the member has a family medical emergency. For the purposes of this paragraph, the Board shall define by regulation "family medical

emergency” and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a member who has a family medical emergency.

2. Any member of the Judicial Retirement Plan who has the years of creditable service necessary to retire, but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of NRS 1A.410, a retirement benefit pursuant to this subsection must be reduced by 4 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.33 percent for each additional month that the member is under the appropriate retirement age. Any option selected pursuant to this subsection must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

Sec. 21. NRS 1A.400 is hereby amended to read as follows:

1A.400 Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the Judicial Retirement Plan must not exceed :

1. If the member has an effective date of membership before July 1, 2015, the limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. § 401(a)(17).

2. If the member has an effective date of membership on or after July 1, 2015, the lesser of:

(a) The limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. § 401(a)(17); or

(b) Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

Sec. 22. NRS 1A.440 is hereby amended to read as follows:

1A.440 Except as otherwise required as a result of NRS 1A.400 or 1A.410:

1. Except as otherwise provided in this subsection, a monthly service retirement allowance must be determined by multiplying a member of the Judicial Retirement Plan’s average compensation ~~by~~ :

(a) If the member has an effective date of membership before July 1, 2015, by 3.4091 percent for each year of service, except that a member of the Plan is entitled to a benefit of not more than 75 percent of the member’s average compensation.

(b) If the member has an effective date of membership on or after July 1, 2015, by 3.1591 percent for each year of service, except that a member of the Plan is entitled to a benefit of not more than 75 percent of the member’s average compensation.

2. For the purposes of this section, “average compensation” means the average of a member of the Plan’s 36 consecutive months of highest compensation as certified by the Court Administrator if the member is a justice of the Supreme Court, a judge of the Court of Appeals or a district judge, by the county if the member is a justice of the peace or by the city if the member is a municipal judge.

Sec. 23. NRS 1A.530 is hereby amended to read as follows:

1A.530 As used in NRS 1A.530 to 1A.670, inclusive, **and sections 14, 16 and 16.5 of this act**, unless the context otherwise requires, the words and terms defined in NRS 1A.540, 1A.550 and 1A.560 **and section 14 of this act** have the meanings ascribed to them in those sections.

Sec. 24. NRS 1A.560 is hereby amended to read as follows:

1A.560 “Spouse” means the surviving husband, ~~for~~ wife **or domestic partner** of a deceased member of the Judicial Retirement Plan.

Sec. 25. Chapter 218C of NRS is hereby amended by adding thereto the provisions set forth as sections 26, 27 and 27.5 of this act.

Sec. 26. 1. Except as otherwise provided in subsections 2 and 3, a Legislator who is a member of the Legislators’ Retirement System who is convicted of or pleads guilty or nolo contendere to any felony involving:

(a) *Accepting or giving, or offering to give, any bribe;*

(b) *Embezzlement of public money;*

(c) *Extortion or theft of public money;*

(d) *Perjury; or*

(e) *Conspiracy to commit any crime set forth in paragraphs (a) to (d), inclusive,*

↪ and arising directly out of his or her duties in legislative service, forfeits all rights and benefits under the System.

2. Upon a conviction described in subsection 1, the Legislators’ Retirement System must return to the member, without interest, all contributions which the member has made and which were credited to the member’s individual account.

3. The provisions of subsections 1 and 2 apply only to Legislators who become members of the Legislators’ Retirement System on or after July 1, 2015.

Sec. 27. 1. The spouse of a Legislator who is a member of the Legislators’ Retirement System killed in the course of legislative service on or after July 1, 2013, is entitled to receive a monthly allowance equivalent to the greater of:

(a) *Fifty percent of the salary of the member on the date of the member’s death; or*

(b) *One hundred percent of the retirement allowance that the member was eligible to receive based on the member’s years of service obtained before the member’s death without any reduction for age for the deceased member.*

2. The benefits provided by this section must be paid to the spouse for the remainder of the spouse’s life.

3. The spouse may elect to receive the benefits by any one of the following only:

- (a) This section; or
- (b) NRS 218C.580.

4. For the purposes of this section, the Board shall define by regulation “killed in the course of legislative service.”

5. As used in this section:

(a) “Domestic partner” means a person who is in a domestic partnership which is registered pursuant to chapter 122A of NRS and which has not been terminated pursuant to that chapter.

(b) “Spouse” means the surviving husband, wife or domestic partner of a Legislator killed in the course of legislative service.

Sec. 27.5. 1. If a Legislator who is a member of the Legislators’ Retirement System is killed in the course of legislative service on or after July 1, 2013, and does not have at the time of his or her death a spouse, as that term is defined in section 27 of this act, the survivor of the member is entitled to receive a monthly allowance equivalent to the greater of:

(a) Fifty percent of the salary of the member on the date of the member’s death; or

(b) One hundred percent of the retirement allowance that the member was eligible to receive based on the member’s years of service obtained before the member’s death without any reduction for age for the deceased member.

2. The benefits provided by this section must be paid to the survivor for the remainder of his or her life.

3. The survivor may elect to receive the benefits provided by any one of the following only:

- (a) This section; or
- (b) NRS 218C.580.

4. For the purposes of this section, the Board shall define by regulation “killed in the course of legislative service.”

Sec. 28. NRS 218C.450 is hereby amended to read as follows:

218C.450 1. The minimum requirement for retirement is :

(a) For a Legislator who has an effective date of membership before July 1, 2015, 10 years of accredited service ~~10~~ ; and

(b) For a Legislator who has an effective date of membership on or after July 1, 2015, 10 years of service. For the purposes of this paragraph, any year or part of a year of service purchased by a Legislator pursuant to NRS 218C.370 must not be considered in determining the number of years of service of the Legislator unless the Legislator has a family medical emergency. For the purposes of this paragraph, the Board shall define by regulation “family medical emergency” and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a Legislator who has a family medical emergency.

↪ A lapse in service as a Legislator does not operate to forfeit any retirement rights accrued before the lapse.

2. A Legislator who meets ~~{this requirement}~~ **the requirements of subsection 1** may retire:

(a) At the age of 60 years or older with a full allowance.

(b) At any age less than 60 years with an allowance or benefit actuarially reduced to the age of 60 years. Except as otherwise required as a result of NRS 218C.340, an allowance or benefit under this paragraph must be reduced by 6 percent of the unmodified amount for each full year that the member is under the age of 60 years, and an additional 0.5 percent for each additional month that the member is under the age of 60 years. Any option selected must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified allowance or benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

Sec. 29. NRS 218C.530 is hereby amended to read as follows:

218C.530 Notwithstanding any other provision of law, the amount of compensation used to determine the retirement benefit of a member of the Legislators' Retirement System must not exceed :

1. If the member has an effective date of membership before July 1, 2015, the limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. 401(a)(17).

2. If the member has an effective date of membership on or after July 1, 2015, the lesser of:

(a) The limitation provided by section 401(a)(17) of the Internal Revenue Code, 26 U.S.C. 401(a)(17); or

(b) Two hundred thousand dollars. The limitation set forth in this paragraph must be adjusted by the Board every year by an amount equal to the average percentage increase in the Consumer Price Index (All Items) for the immediately preceding 3-year period.

Sec. 29.3. NRS 218C.580 is hereby amended to read as follows:

218C.580 1. The provisions of NRS 286.671 to 286.679, inclusive, **and sections 4 and 4.5 of this act**, except NRS 286.6775, relating to benefits for survivors pursuant to the Public Employees' Retirement System, are applicable to the dependents of a Legislator who is a member of the Legislators' Retirement System, and the benefits for the survivors must be paid by the Board following the death of the Legislator to the persons entitled thereto from the Legislators' Retirement Fund.

2. It is declared that of the contributions required by subsections 1 and 2 of NRS 218C.390, one-half of 1 percent must be regarded as costs incurred in benefits for survivors.

Sec. 29.6. Section 8 of chapter 346, Statutes of Nevada 2009, at page 1550, is hereby amended to read as follows:

Sec. 8. ~~{4-}~~ This section and sections 1 to 6, inclusive, of this act become effective upon passage and approval.

~~{2. Section 7 of this act becomes effective on June 30, 2015.}~~

Sec. 29.7. 1. If, during the period beginning on July 1, 2013, and ending on June 30, 2015, a police officer or firefighter was killed in the line of duty, any other member of the Public Employees' Retirement System was killed in the course of employment, a member of the Judicial Retirement Plan was killed in the course of judicial service or a member of the Legislators' Retirement System was killed in the course of legislative service, the spouse, survivor beneficiary or survivor of such person may elect to receive payments provided pursuant to section 4, 4.5, 16, 16.5, 27 or 27.5 of this act, as applicable. Such an election:

(a) Is not reversible; and

(b) Must be made on or before the date set forth by the Public Employees' Retirement Board. The date set forth by the Board must provide the spouse, survivor beneficiary or survivor a reasonable amount of time to make such an election.

2. If the spouse, surviving beneficiary or survivor makes an election pursuant to subsection 1 to receive payments provided pursuant to section 4, 4.5, 16, 16.5, 27 or 27.5 of this act, as applicable, the spouse, survivor beneficiary and any additional payee or survivor:

(a) Is eligible to receive the payments provided pursuant to section 4, 4.5, 16, 16.5, 27 or 27.5 of this act, as applicable, beginning on July 1, 2015. Except as otherwise provided in subparagraph (1) of paragraph (b), payments pursuant to section 4, 4.5, 16, 16.5, 27 or 27.5 of this act, as applicable, must be made retroactive to July 1, 2015.

(b) Is not eligible to:

(1) Continue to receive the payments provided pursuant to NRS 1A.590, 1A.600, 1A.610, 1A.630, 1A.640, 1A.650, 218C.580, 286.674, 286.676, 286.6765, 286.6766, 286.67675, 286.6768, 286.67685 or 286.6769, as applicable. Any payment made pursuant to such provisions on or after July 1, 2015, must be credited against the amount of retroactive payment that the spouse, survivor beneficiary, additional payee or survivor receives pursuant to paragraph (a).

(2) Receive retroactive payment of the benefits provided pursuant to section 4, 4.5, 16, 16.5, 27 or 27.5 of this act, as applicable, for the period beginning on the date of the death of the police officer, firefighter or other member and ending on June 30, 2015.

3. Immediately upon the effective date of this section, the Public Employees' Retirement Board shall send notice of the provisions of this section by certified mail to the spouse, survivor beneficiary or survivor of each police officer or firefighter killed in the line of duty, any other member of the Public Employees' Retirement System killed in the course of employment, a member of the Judicial Retirement Plan killed in the course of judicial service or a member of the Legislators' Retirement System killed in the course of legislative service during the period beginning on July 1, 2013, and ending on June 30, 2015.

4. For purposes of this section, the Public Employees' Retirement Board shall define by regulation "killed in the line of duty," "killed in the course of employment," "killed in the course of judicial service" and "killed in the course of legislative service."

Sec. 29.8. Section 7 of chapter 346, Statutes of Nevada 2009, at page 1550, is hereby repealed.

Sec. 30. 1. This section and sections 29.6, **29.7** and 29.8 of this act become effective upon passage and approval.

2. **Sections 4, 4.5, 16, 16.5, 27 and 27.5 of this act become effective:**

(a) Upon passage and approval for purposes of adopting regulations and performing any other preparatory administrative tasks; and

(b) On July 1, 2015, for all other purposes.

3. Sections 1 ~~to 29.3, inclusive,~~ 2, 3, 5 to 15, inclusive, 17 to 26, inclusive, 28, 29 and 29.3 of this act become effective on July 1, 2015.

TEXT OF REPEALED SECTION

Section 7 of chapter 346, Statutes of Nevada 2009:

Sec. 7. NRS 286.523 is hereby repealed.

Assemblyman Ellison moved the adoption of the amendment.

Remarks by Assemblyman Ellison.

ASSEMBLYMAN ELLISON:

The amendment clarifies that service credit buyouts, purchased by the state for the purpose of workforce reductions, can be used in the calculation of postretirement benefits. The opt-in date for the additional survivor benefit option proposed in the bill is changed to June 1, 2013.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 444.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 861.

AN ACT relating to civil actions; ~~revising provisions governing the dismissal of certain claims based on the right to petition and the right to free speech under certain circumstances;~~ revising provisions relating to special motions to dismiss ~~[such claims; repealing provisions authorizing]~~ certain ~~[monetary awards in proceedings related to special motions to dismiss such]~~ claims ~~[.]~~ **based upon the right to petition and the right to free speech under certain circumstances;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes certain provisions to deter frivolous or vexatious lawsuits (Strategic Lawsuits Against Public Participation, commonly known as "SLAPP lawsuits"). (Chapter 387, Statutes of Nevada 1997, p. 1363; NRS 41.635-41.670) A SLAPP lawsuit is characterized as a meritless suit filed

primarily to discourage the named defendant's exercise of First Amendment rights. "The hallmark of a SLAPP lawsuit is that it is filed to obtain a financial advantage over one's adversary by increasing litigation costs until the adversary's case is weakened or abandoned." (*Metabolic Research, Inc. v. Ferrel*, 693 F.3d 795, 796 n.1 (9th Cir. 2012))

Existing law provides that a person who engages in good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern is immune from civil liability for claims based upon that communication. (NRS 41.650) ~~[Section 4 of this bill defines, for the purposes of statutory provisions concerning SLAPP lawsuits, an issue of public concern as any topic that concerns the general public beyond a mere curiosity or general interest. Section 12 of this bill provides that any cause of action arising from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern is subject to a special motion to dismiss.~~

~~—Section 5 of this bill requires a special motion to dismiss to be filed within 20 days after service of the complaint, and to be limited to the issue of whether the claim arises from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern. If the court determines that such a claim does not arise from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, section 6 of this bill requires the court to deny the special motion to dismiss. If the court determines that the claim does arise from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, section 7 of this bill requires the plaintiff to establish prima facie evidence supporting each and every element of the claim other than elements requiring proof of the subjective intent or knowledge of the defendant. Section 7 further requires the court to determine whether the plaintiff has established such prima facie evidence within 20 judicial days after the plaintiff's filing of briefs and supporting evidence.~~

~~—Section 8 of this bill provides that, if a court determines that the plaintiff established prima facie evidence of each and every element of its claim other than elements requiring proof of the subjective intent or knowledge of the defendant, the court must deny the special motion to dismiss. If the court determines that the defendant filed the special motion to dismiss in bad faith, section 8 requires the court to award the plaintiff reasonable attorney's fees and costs. If a court determines that the plaintiff has not established the required prima facie evidence, section 9 of this bill requires the court to dismiss the claim and award the defendant reasonable attorney's fees and costs.~~

~~—Section 15 of this bill repeals provisions authorizing additional awards of compensation when a court dismisses a claim arising from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern.] Existing law also provides that if an action is brought against a person based upon such good faith~~

communication, the person may file a special motion to dismiss the claim. If a special motion to dismiss is filed, the court must first determine whether the moving party has established, by a preponderance of the evidence, that the claim is based upon a good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern. If the court determines that the moving party has met this burden, the court must then determine whether the person who brought the claim has established by clear and convincing evidence a probability of prevailing on the claim. While the court's ruling on the special motion to dismiss is pending and while the disposition of any appeal from that ruling is pending, the court must stay discovery. (NRS 41.660)

Section 13 of this bill revises provisions governing a special motion to dismiss a claim that is based upon a good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern. Section 13 increases from 7 days to 20 judicial days the time within which a court must rule on a special motion to dismiss. Section 13 also authorizes limited discovery for the purposes of allowing a party to obtain certain information necessary to meet or oppose the burden of the party who brought the claim to establish by clear and convincing evidence a probability of prevailing on the claim. Finally, section 13 authorizes the court to modify certain deadlines upon a finding that such a modification would serve the interests of justice.

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

Section 1. ~~[Chapter 41 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9.5, inclusive, of this act.] (Deleted by amendment.)~~

Sec. 2. ~~{1. The Legislature finds and declares that:~~
~~— (a) Meritless lawsuits that arise from the public's exercise of the right to petition for the redress of grievances and the right of free speech as it relates to matters of public concern are Strategic Lawsuits Against Public Participation, commonly known as SLAPP suits; and~~
~~— (b) Such lawsuits have a chilling effect on the exercise of such rights.~~
~~2. The Legislature reaffirms its support of the provisions of Section 9 of Article 1 of the Nevada Constitution which provide for the rights of every citizen of this State to freely speak, write and publish his or her thoughts on all subjects, while being responsible for the abuse of such rights.~~
~~3. To avoid the chilling effect of meritless SLAPP suits while still providing a remedy when free speech rights have been abused, it is the Legislature's intent to provide for the early termination of SLAPP suits.~~
 (Deleted by amendment.)

Sec. 3. ~~{NRS 41.635 to 41.660, inclusive, and sections 2 to 9.5, inclusive, of this act may be referred to as the Nevada anti-SLAPP Law.}~~ (Deleted by amendment.)

Sec. 3.5. ~~{“Defendant” means any person against whom a claim is asserted, including, without limitation, a counterclaim or cross claim.}~~ (Deleted by amendment.)

Sec. 4. ~~{“Issue of public concern” means any topic that concerns not only the speaker and the speaker’s audience, but the general public, and is not merely a subject of curiosity or general interest.}~~ (Deleted by amendment.)

Sec. 4.5. ~~{“Plaintiff” means any person asserting a claim, including, without limitation, a counterclaim or cross claim.}~~ (Deleted by amendment.)

Sec. 5. ~~{1. A special motion to dismiss filed pursuant to NRS 41.660 must be:~~

~~—(a) Filed within 20 days after service of the complaint, unless the court provides an extension of time for good cause shown; and~~

~~—(b) Limited to the issue of whether the claim arises from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern.~~

~~—2. The plaintiff has 10 judicial days to file an opposition to a special motion to dismiss filed pursuant to subsection 1, and the defendant has 5 judicial days to reply to such an opposition.~~

~~—3. Within 20 judicial days after service of a special motion filed pursuant to subsection 1, the court shall hear and determine whether the defendant has established, by a preponderance of the evidence, that the claim arises from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern. The court shall enter written findings of fact and conclusions of law on the record supporting the determination of the court.~~

~~—4. Except as otherwise provided in this subsection, all discovery must be stayed pending a ruling by the court on a special motion to dismiss filed pursuant to subsection 1. Upon a showing by the plaintiff that information necessary to oppose the special motion to dismiss is in the possession of the defendant or a third party and is not reasonably available to the plaintiff without discovery, the court shall allow limited discovery for the purpose of ascertaining such information. The court may modify briefing and hearing schedules for the special motion to dismiss to accommodate limited discovery pursuant to this subsection.}~~ (Deleted by amendment.)

Sec. 6. ~~{1. If the court determines that a claim does not arise from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, the court shall deny the special motion to dismiss.~~

~~—2. If the court determines that the defendant filed the special motion to dismiss without a reasonable basis to contend that the claim arose from a~~

~~communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, the court must award the plaintiff reasonable attorney's fees and costs incurred in opposing the special motion to dismiss.} (Deleted by amendment.)~~

~~Sec. 7. {1. If the court determines that the claim arises from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, the plaintiff has 15 judicial days after the court enters an order making such a determination to file such briefs, declarations and evidence necessary to establish prima facie evidence supporting each and every element of the claim, except such elements that require proof of the subjective intent or knowledge of the defendant.~~

~~— 2. The defendant has 10 judicial days to file an opposition to briefs, declarations and evidence filed pursuant to subsection 1, and the plaintiff has 5 judicial days to reply to such an opposition.~~

~~— 3. Within 20 judicial days after the plaintiff serving the briefs, declarations and evidence required pursuant to subsection 1, the court shall:~~

~~— (a) Determine whether the plaintiff has established prima facie evidence of each and every element of the claim, except such elements that require proof of the subjective intent or knowledge of the defendant; and~~

~~— (b) Enter written findings of fact and conclusions of law on the record supporting the determination of the court.~~

~~— 4. Except as otherwise provided in this subsection, all discovery must be stayed pending a ruling by the court on whether the plaintiff has established prima facie evidence of each and every element of the claim, except such elements that require proof of the subjective intent or knowledge of the defendant pursuant to subsection 1. Upon a showing by the plaintiff that the information necessary to make such a prima facie showing is in the possession of the defendant or a third party and is not reasonably available to the plaintiff without discovery, the court shall allow limited discovery for the purpose of ascertaining such information. The court may modify briefing and hearing schedules for the special motion to dismiss to accommodate limited discovery pursuant to this subsection.} (Deleted by amendment.)~~

~~Sec. 8. {1. If the court determines that the plaintiff has established prima facie evidence of each and every element of its claim, except such elements that require proof of the subjective intent or knowledge of the defendant, the court shall deny the special motion to dismiss.~~

~~— 2. If the court determines that the defendant filed the special motion to dismiss in bad faith, the court shall award the plaintiff reasonable attorney's fees and costs incurred in opposing the special motion to dismiss.~~

~~— 3. The court shall ensure that a determination made pursuant to this section:~~

~~— (a) Will not be admitted as evidence at any later stage of the underlying action or subsequent proceedings; or~~

~~(b) Will not affect the burden of proof required in the underlying action or subsequent proceeding.} (Deleted by amendment.)~~

Sec. 9. ~~{1. If the court determines that the plaintiff has not established prima facie evidence of each and every element of the claim except such elements that require proof of the subjective intent or knowledge of the defendant, the court shall dismiss the claim and award the defendant reasonable attorney's fees and costs incurred in bringing the special motion to dismiss.~~

~~2. If the court dismisses the action pursuant to subsection 1, the dismissal operates as an adjudication upon the merits.} (Deleted by amendment.)~~

Sec. 9.5. ~~{If the court denies a special motion to dismiss filed pursuant to NRS 41.660, an interlocutory appeal lies to the appellate court of competent jurisdiction pursuant to the rules fixed by the Supreme Court pursuant to Section 4 of Article 6 of the Nevada Constitution.} (Deleted by amendment.)~~

Sec. 10. ~~{NRS 41.635 is hereby amended to read as follows:
41.635 As used in NRS 41.635 to [41.670,] 41.660, inclusive, and sections 2 to 9.5, inclusive, of this act, unless the context otherwise requires, the words and terms defined in NRS 41.637 and 41.640 and sections 3.5, 4 and 4.5 of this act have the meanings ascribed to them in those sections.} (Deleted by amendment.)~~

Sec. 11. ~~{NRS 41.637 is hereby amended to read as follows:
41.637 ["Good faith communication"] "Communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern" means any:~~

~~1. Communication that is aimed at procuring any governmental or electoral action, result or outcome;~~

~~2. Communication of information or a complaint to a Legislator, officer or employee of the Federal Government, this state or a political subdivision of this state, regarding a matter reasonably of concern to the respective governmental entity;~~

~~3. Written or oral statement made in direct connection with an issue under consideration by a legislative, executive or judicial body, or any other official proceeding authorized by law; or~~

~~4. Communication made in direct connection with an issue of public [interest] concern in a place open to the public or in a public forum . {
which is truthful or is made without knowledge of its falsehood.} (Deleted by amendment.)~~

Sec. 12. ~~{NRS 41.650 is hereby amended to read as follows:
41.650 A cause of action against a person [who engages in a good faith] arising from a communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern [is immune from any civil action for claims based upon the communication.] is subject to a special motion to dismiss, and that motion must be granted by~~

~~the court unless the plaintiff establishes that the claim is not meritorious pursuant to section 9 of this act.~~ (Deleted by amendment.)

Sec. 13. NRS 41.660 is hereby amended to read as follows:

41.660 1. If an action is brought against a person ~~based upon~~ ~~for~~ ~~from~~ for a good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern:

(a) ~~11~~ The person against whom the action is brought may file a special motion to dismiss; and

(b) ~~12~~ The Attorney General or the chief legal officer or attorney of a political subdivision of this State may defend or otherwise support the person against whom the action is brought. If the Attorney General or the chief legal officer or attorney of a political subdivision has a conflict of interest in, or is otherwise disqualified from, defending or otherwise supporting the person, the Attorney General or the chief legal officer or attorney of a political subdivision may employ special counsel to defend or otherwise support the person.

2. A special motion to dismiss must be filed within 60 days after service of the complaint, which period may be extended by the court for good cause shown.

3. If a special motion to dismiss is filed pursuant to subsection 2, the court shall:

(a) Determine whether the moving party has established, by a preponderance of the evidence, that the claim is based upon a good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern;

(b) If the court determines that the moving party has met the burden pursuant to paragraph (a), determine whether the plaintiff has established by clear and convincing evidence a probability of prevailing on the claim;

(c) If the court determines that the plaintiff has established a probability of prevailing on the claim pursuant to paragraph (b), ensure that such determination will not:

(1) Be admitted into evidence at any later stage of the underlying action or subsequent proceeding; or

(2) Affect the burden of proof that is applied in the underlying action or subsequent proceeding;

(d) Consider such evidence, written or oral, by witnesses or affidavits, as may be material in making a determination pursuant to paragraphs (a) and (b);

(e) ~~Stay~~ Except as otherwise provided in subsection 4, stay discovery pending;

(1) A ruling by the court on the motion; and

(2) The disposition of any appeal from the ruling on the motion; and

(f) Rule on the motion within ~~7~~ 20 judicial days after the motion is served upon the plaintiff.

4. Upon a showing by a party that information necessary to meet or oppose the burden pursuant to paragraph (b) of subsection 3 is in the possession of another party and is not reasonably available without

discovery, the court shall allow limited discovery for the purpose of ascertaining such information.

5. If the court dismisses the action pursuant to a special motion to dismiss filed pursuant to subsection 2, the dismissal operates as an adjudication upon the merits.

6. The court may modify any briefing or hearing deadlines pursuant to this section or any other deadlines relating to a complaint filed pursuant to this section upon a finding that such modification would serve the interests of justice.

7. As used in this section:

(a) "Complaint" means any action brought against a person based upon a good faith communication in furtherance of the right to petition or the right to free speech in direct connection with an issue of public concern, including, without limitation, a counterclaim or cross-claim.

(b) "Plaintiff" means any person asserting a claim, including, without limitation, a counterclaim or cross-claim.

Sec. 14. The amendatory provisions of this act apply to an action commenced on or after October 1, 2015.

Sec. 15. ~~{NRS 41.670 is hereby repealed.}~~ **(Deleted by amendment.)** ‡

~~TEXT OF REPEALED SECTION~~

~~41.670 Award of reasonable costs, attorney's fees and monetary relief under certain circumstances; separate action for damages; sanctions for frivolous or vexatious special motion to dismiss; interlocutory appeal.~~

~~1. If the court grants a special motion to dismiss filed pursuant to NRS 41.660:~~

~~(a) The court shall award reasonable costs and attorney's fees to the person against whom the action was brought, except that the court shall award reasonable costs and attorney's fees to this State or to the appropriate political subdivision of this State if the Attorney General, the chief legal officer or attorney of the political subdivision or special counsel provided the defense for the person pursuant to NRS 41.660.~~

~~(b) The court may award, in addition to reasonable costs and attorney's fees awarded pursuant to paragraph (a), an amount of up to \$10,000 to the person against whom the action was brought.~~

~~(c) The person against whom the action is brought may bring a separate action to recover:~~

~~(1) Compensatory damages;~~

~~(2) Punitive damages; and~~

~~(3) Attorney's fees and costs of bringing the separate action.~~

~~2. If the court denies a special motion to dismiss filed pursuant to NRS 41.660 and finds that the motion was frivolous or vexatious, the court shall award to the prevailing party reasonable costs and attorney's fees incurred in responding to the motion.~~

~~3. In addition to reasonable costs and attorney's fees awarded pursuant to subsection 2, the court may award:~~
~~(a) An amount of up to \$10,000; and~~
~~(b) Any such additional relief as the court deems proper to punish and deter the filing of frivolous or vexatious motions.~~
~~4. If the court denies the special motion to dismiss filed pursuant to NRS 41.660, an interlocutory appeal lies to the Supreme Court.]~~

Assemblyman Hansen moved the adoption of the amendment.
 Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment deletes several sections of the bill and allows for limited, reciprocal discovery by a respondent or moving party on a motion to dismiss under the statute. Any discovery is limited to ascertaining such information necessary to meet or oppose the special motion to dismiss. It also alters the timeline for a response and ruling on the motion to dismiss from 7 days in the current statute to 20 judicial days.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 471.

Bill read second time and ordered to third reading.

Senate Bill No. 472.

Bill read second time and ordered to third reading.

Senate Bill No. 481.

Bill read second time.

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

Amendment No. 782.

SUMMARY—Revises provisions relating to ~~counties and cities,~~ **certain local governments.** (BDR 20-1114)

AN ACT relating to local governments; prohibiting a county, ~~for~~ incorporated city **or regional transportation commission** from creating, maintaining or displaying ~~(in any format)~~ a comprehensive model or map of the physical location of all or a substantial portion of the facilities ~~for critical infrastructure~~ of a public utility, public water system or video service provider; ~~authorizing~~ **providing that the prohibition does not limit the authority of** a county, ~~for~~ city **or regional transportation commission** to require a public utility, public water system, ~~for~~ **or** video service provider ~~for any other person~~ to disclose information relating to the physical location of the facilities ~~for critical infrastructure~~ of ~~for~~ **the** public utility, public water system or video service provider ~~only under certain circumstances;~~ **to facilitate certain public projects;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill prohibits a county ~~and~~ incorporated city ~~or~~ or regional transportation commission, respectively, from creating, maintaining or displaying ~~in any format, including, without limitation, a digital or electronic format,~~ a comprehensive model or map of the location of all or a substantial portion of the facilities ~~for critical infrastructure~~ of a public utility, public water system or video service provider. This bill further ~~authorizes~~ provides that the prohibition does not limit the authority of a county ~~or~~ city or regional transportation system to require a public utility, public water system or video service provider ~~for any other person~~ to provide information to the county ~~or~~ city or commission relating to the physical location of the facilities ~~for critical infrastructure~~ of the public utility, public water system or video service provider ~~pursuant to certain agreements executed between the public utility, public water system, video service provider or person and the county or city, respectively,~~ to facilitate certain public projects.

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

Section 1. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A county, including, without limitation, any board ~~or~~ or planning agency ~~for other political subdivision~~ of the county, shall not create, maintain or display ~~in any format, including, without limitation, a digital or electronic format,~~ a comprehensive model or map of the physical location of all or a substantial portion of the facilities ~~for critical infrastructure~~ of a public utility, public water system or video service provider.

2. ~~1.1~~ The provisions of subsection 1 do not limit the authority of a county, including, without limitation, any board ~~or~~ or planning agency ~~for other political subdivision~~ of the county, ~~may~~ to require a public utility, public water system, video service provider ~~for other person~~ to provide information about the physical location of the facilities ~~for critical infrastructure~~ of the public utility, public water system or video service provider ~~only pursuant to a franchise, right of way or similar occupancy agreement entered into with the public utility, public water system, video service provider or other person,~~ for the purpose of facilitating a public work.

3. As used in this section:

(a) ~~“Critical infrastructure” means any asset of a public utility, public water system or video service provider that is essential for the operation of the public utility, public water system or video service provider, as applicable.~~

~~(b)~~ “Public utility” has the meaning ascribed to it in NRS 704.020.

~~(c)~~ (b) “Public water system” has the meaning ascribed to it in NRS 445A.235 ~~or~~, except the term does not include a water system that is owned or operated by the county.

(c) “Public work” has the meaning ascribed to it in NRS 338.010.

(d) “Video service provider” has the meaning ascribed to it in NRS 711.151.

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. An incorporated city, including, without limitation, any board ~~or~~ or planning agency ~~for other political subdivision~~ of the city, shall not create, maintain or display ~~in any format, including, without limitation, a digital or electronic format,~~ a comprehensive model or map of the physical location of all or a substantial portion of the facilities ~~for critical infrastructure~~ of a public utility, public water system or video service provider.

2. ~~Any~~ The provisions of subsection 1 do not limit the authority of an incorporated city, including, without limitation, any board ~~or~~ or planning agency ~~for other political subdivision~~ of the city, ~~may~~ to require a public utility, public water system ~~or~~ video service provider ~~for other person~~ to provide information about the physical location of the facilities ~~for critical infrastructure~~ of the public utility, public water system or video service provider ~~only pursuant to a franchise, right of way or similar occupancy agreement entered into with the public utility, public water system, video service provider or other person,~~ for the purpose of facilitating a public work or a public improvement project pursuant to a franchise agreement.

3. As used in this section:

(a) ~~“Critical infrastructure” means any asset of a public utility, public water system or video service provider that is essential for the operation of the public utility, public water system or video service provider, as applicable.~~

~~—(b)— “Public utility” has the meaning ascribed to it in NRS 704.020.~~

~~—(c)— , except the term does not include a sewer system that is owned or operated by the city.~~

(b) “Public water system” has the meaning ascribed to it in NRS 445A.235 ~~or~~, except the term does not include a sewer system that is owned or operated by the city.

(c) “Public work” has the meaning ascribed to it in NRS 338.010.

(d) “Video service provider” has the meaning ascribed to it in NRS 711.151.

Sec. 3.5. Chapter 277A of NRS is hereby amended by adding thereto a new section to read as follows:

1. A commission shall not create, maintain or display a comprehensive model or map of the physical location of all or a substantial portion of the facilities of a public utility, public water system or video service provider.

2. The provisions of subsection 1 do not limit the authority of a commission to require a public utility, public water system or video service provider to provide information about the physical location of the facilities of the public utility, public water system or video service provider for the purpose of facilitating a project.

3. As used in this section:

(a) "Public utility" has the meaning ascribed to it in NRS 704.020.

(b) "Public water system" has the meaning ascribed to it in NRS 445A.235.

(c) "Video service provider" has the meaning ascribed to it in NRS 711.151.

Sec. 4. This act becomes effective on July 1, 2015.

Assemblyman Ellison moved the adoption of the amendment.

Remarks by Assemblyman Ellison.

ASSEMBLYMAN ELLISON:

The amendment adds regional transportation commissions to the provisions of the bill and clarifies the authority of local governments to require the submission of information related to utilities infrastructure.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 110.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 807.

AN ACT relating to vehicles; authorizing a person to apply for title to an abandoned recreational vehicle in certain circumstances; providing that a person who owns ~~for-occupies~~ private property on which a recreational vehicle has been abandoned has a lien on the recreational vehicle; requiring a municipal solid waste landfill to accept a recreational vehicle for disposal under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides that certain persons who store, maintain, keep, repair or furnish facilities or services for certain vehicles have a lien on such a vehicle. After providing notice to the owner of a vehicle on which such a lien is held, the vehicle may be sold to satisfy the lien. Any proceeds from such a sale in excess of those necessary to satisfy the lien must be returned to the owner of the vehicle. (NRS 108.270-108.367) **Section 1.4** of this bill provides that a person who owns ~~for-occupies~~ private property on which a recreational vehicle is abandoned has a lien on the recreational vehicle. **Sections 1 and 1.2** of this bill set forth a procedure by which a person may obtain title to a recreational vehicle abandoned on private property after attempting to provide notice to the owner.

Existing law sets forth the procedure for disposal of an abandoned vehicle. (NRS 487.205-487.300) **Section 2** of this bill requires a municipal solid waste landfill to accept a recreational vehicle for disposal if: (1) the person disposing of the recreational vehicle pays any applicable fee and provides the title to the recreational vehicle which indicates that he or she is the owner of the vehicle;

and (2) accepting the recreational vehicle for disposal does not violate any applicable federal or state law concerning the operation of the municipal solid waste landfill.

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

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person who holds a lien on an abandoned recreational vehicle pursuant to NRS 108.270 may apply to the Department for title to the abandoned recreational vehicle upon the expiration of:

(a) Thirty days after the date on which the owner ~~for occupant~~ of the property where the abandoned recreational vehicle is located mails the registered or certified letter pursuant to paragraph (a) of subsection 1 of section 1.2 of this act, if such a letter is required; or

(b) Thirty days after the date of publication of the notice required by paragraph (b) of subsection 1 of section 1.2 of this act,
↪ whichever is later.

2. An application for title to an abandoned recreational vehicle must contain:

(a) A completed application form prescribed by the Department;

(b) Proof that the letter required by paragraph (a) of subsection 1 of section 1.2 of this act was mailed at least 30 days before the submission of the application or, if no letter was sent, a detailed explanation of the steps taken to identify an owner of the abandoned recreational vehicle;

(c) Proof that notice was printed in a newspaper as required by paragraph (b) of subsection 1 of section 1.2 of this act at least 30 days before the submission of the application;

(d) A clear and accurate photograph of the abandoned recreational vehicle; and

(e) The serial number, vehicle identification number, registration number or any other identifying information relating to the abandoned recreational vehicle.

3. The Department may charge and collect a fee for issuing a certificate of title pursuant to this section, which must ~~not exceed the actual cost to~~ be the fee established by law for the Department ~~for issuing~~ to issue the certificate of title.

4. Upon receipt of the materials and information required in subsection 2 and any fees required pursuant to subsection 3, the Department shall enter the application upon the records of its office and issue the certificate of title for the abandoned recreational vehicle.

5. A person to whom a certificate of title is issued pursuant to this section is not required to provide consideration for the recreational vehicle to the owner of the recreational vehicle.

6. *The Department may adopt any regulations necessary to carry out the provisions of this section.*

Sec. 1.2. Chapter 108 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *An owner ~~for occupant~~ of private property where an abandoned recreational vehicle is located who claims a lien on the abandoned recreational vehicle shall:*

(a) *If the abandoned recreational vehicle has a serial number, vehicle identification number, registration number or other means of identifying any owner of the abandoned recreational vehicle, obtain the last known address of the owner and provide the owner with notice of the lien by registered or certified letter to the last known address of the owner. The owner ~~for occupant~~ of the property where the abandoned recreational vehicle is located is not required to send a registered or certified letter if an owner cannot be located or if an address for an owner cannot be ascertained.*

(b) *Place a notice of the lien in a newspaper of general circulation published in the county in which the abandoned recreational vehicle is located.*

2. *The notice of the lien must contain:*

(a) *An itemized statement of the claim, showing the sum due at the time of the notice and the date when it became due.*

(b) *A description of the abandoned recreational vehicle and the location where the abandoned recreational vehicle was discovered and providing the serial number, vehicle identification number, registration number or any other identifying information relating to the abandoned recreational vehicle.*

(c) *A demand that the amount of the claim as stated in the notice, and of any further claim as may accrue, must be paid on or before a date mentioned.*

(d) *A statement that, if ownership is not claimed and the abandoned recreational vehicle is not removed within 30 days after the publication date of the newspaper, the owner ~~for occupant~~ of the property where the abandoned recreational vehicle is located will advertise the recreational vehicle for sale and sell the recreational vehicle by auction at a specified time and place or apply for title to the recreational vehicle as prescribed in section 1 of this act.*

3. *The owner ~~for occupant~~ of the private property where the abandoned recreational vehicle is located shall determine a day for the purposes of the demand in paragraph (c) of subsection 2. The day mentioned must be:*

(a) *Not less than 30 days after delivery of the letter pursuant to paragraph (a) of subsection 1, if any; and*

(b) *Not less than 30 days after publication of the notice pursuant to paragraph (b) of subsection 1.*

4. *As used in this section, "private property" has the meaning ascribed to it in NRS 108.270.*

Sec. 1.3. NRS 108.270 is hereby amended to read as follows:

108.270 Subject to the provisions of NRS 108.315:

1. A person engaged in the business of:

(a) Buying or selling automobiles;

(b) Keeping a garage or place for the storage, maintenance, keeping or repair of motor vehicles, motorcycles, motor equipment, trailers, mobile homes or manufactured homes, including the operator of a salvage pool; or

(c) Keeping a mobile home park, mobile home lot or other land for rental of spaces for trailers, mobile homes or manufactured homes,

➔ and who in connection therewith stores, maintains, keeps or repairs any motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home, or furnishes accessories, facilities, services or supplies therefor, at the request or with the consent of the owner or the owner's representatives, or at the direction of any peace officer or other authorized person who orders the towing or storage of any vehicle through any action permitted by law, has a lien upon the motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home or any part or parts thereof for the sum due for the towing, storing, maintaining, keeping or repairing of the motor vehicle, motorcycle, motor equipment, trailer, mobile home or manufactured home or for labor furnished thereon, or for furnishing accessories, facilities, services or supplies therefor, and for all costs incurred in enforcing such a lien.

2. Subject to the provisions of NRS 108.315, a person engaged in the business of keeping a recreational vehicle park who, at the request or with the consent of the owner of a recreational vehicle or the owner's representative, furnishes facilities or services in the recreational vehicle park for the recreational vehicle, has a lien upon the recreational vehicle for the amount of rent due for furnishing those facilities and services, and for all costs incurred in enforcing such a lien.

3. A person who at the request of the legal owner performed labor on, furnished materials or supplies or provided storage for any aircraft, aircraft equipment or aircraft parts is entitled to a lien for such services, materials or supplies and for the costs incurred in enforcing the lien.

4. ***A person who owns ~~for occupies~~ private property on which a recreational vehicle is abandoned has a lien upon the recreational vehicle for the amount of rent due for the use of the private property to store the recreational vehicle and for the costs incurred in enforcing the lien.***

5. Any person who is entitled to a lien as provided in subsections 1 ~~1, 2 and 3~~ ***to 4, inclusive***, may, without process of law, detain the motor vehicle, motorcycle, motor equipment, trailer, recreational vehicle, mobile home, manufactured home, aircraft, aircraft equipment or aircraft parts at any time it is lawfully in the person's possession until the sum due is paid.

6. ***As used in this section, "private property" means any property not owned by a governmental entity or devoted to public use.***

Sec. 1.4. NRS 108.272 is hereby amended to read as follows:

108.272 1. Except as otherwise provided in subsection 2 ~~1~~ ***and section 1.2 of this act***, the notice of a lien must be given by delivery in person or by

registered or certified letter addressed to the last known place of business or abode of:

- (a) The legal owner and registered owner of the property.
- (b) Each person who holds a security interest in the property.
- (c) If the lien is on a mobile home or manufactured home, each person who is listed in the records of the Manufactured Housing Division of the Department of Business and Industry as holding an ownership or other interest in the home.

➡ If no address is known, the notice must be addressed to that person at the place where the lien claimant has his or her place of business.

2. Any person who claims a lien on aircraft, aircraft equipment or parts shall:

- (a) Within 120 days after the person furnishes supplies or services; or
 - (b) Within 7 days after the person receives an order to release the property,
- ➡ whichever time is less, serve the legal owner by mailing a copy of the notice of the lien to the owner's last known address, or if no address is known, by leaving a copy with the clerk of the court in the county where the notice is filed.

3. ~~The~~ **Except as otherwise provided in section 1.2 of this act, the** notice must contain:

- (a) An itemized statement of the claim, showing the sum due at the time of the notice and the date when it became due.
- (b) A brief description of the motor vehicle, airplane, motorcycle, motor or airplane equipment, trailer, recreational vehicle, mobile home or manufactured home against which the lien exists.
- (c) A demand that the amount of the claim as stated in the notice, and of any further claim as may accrue, must be paid on or before a day mentioned.
- (d) A statement that unless the claim is paid within the time specified the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, trailer, recreational vehicle, mobile home or manufactured home will be advertised for sale, and sold by auction at a specified time and place.

4. The lienholder shall determine a day for the purposes of the demand in paragraph (c) of subsection 3. The day mentioned must be:

- (a) Not less than 10 days after the delivery of the notice if it is personally delivered; or
- (b) Not less than 10 days after the time when the notice should reach its destination, according to the due course of post, if the notice is sent by mail.

Sec. 1.5. NRS 108.290 is hereby amended to read as follows:

108.290 1. If property that is the subject of a lien which is acquired as provided in NRS 108.270 to 108.367, inclusive, **and section 1.2 of this act** is the subject of a secured transaction in accordance with the laws of this State, the lien:

- (a) In the case of a lien acquired pursuant to NRS 108.315, is a first lien.
- (b) In the case of a lien on a motor vehicle for charges for towing, storing and any related administrative fees:

- (1) For the first 30 days of the lien:
 - (I) If the amount of the lien does not exceed \$1,000, is a first lien.
 - (II) If the amount of the lien exceeds \$1,000, is a second lien.
 - (2) After the first 30 days of the lien:
 - (I) If the amount of the lien does not exceed \$2,500, is a first lien.
 - (II) If the amount of the lien exceeds \$2,500, is a second lien.
 - (c) In all other cases, if the amount of the lien:
 - (1) Does not exceed \$1,000, is a first lien.
 - (2) Exceeds \$1,000, is a second lien.
2. The lien of a landlord may not exceed \$2,500 or the total amount due and unpaid for rentals and utilities, whichever is less.

Sec. 1.6. NRS 108.310 is hereby amended to read as follows:

108.310 Subject to the provisions of NRS 108.315, **and section 1.2 of this act**, the lien created in NRS 108.270 to 108.367, inclusive, may be satisfied as follows:

1. The lien claimant shall give written notice to the person on whose account the storing, maintaining, keeping, repairing, labor, fuel, supplies, facilities, services or accessories were made, done or given, and to any other person known to have or to claim an interest in the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home, upon which the lien is asserted, and to the:

(a) Manufactured Housing Division of the Department of Business and Industry with regard to mobile homes, manufactured homes and commercial coaches as defined in chapter 489 of NRS; or

(b) Department of Motor Vehicles with regard to all other items included in this section.

2. In accordance with the terms of a notice so given, a sale by auction may be held to satisfy any valid claim which has become a lien on the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home. The sale must be held in the place where the lien was acquired or, if that place is manifestly unsuitable for the purpose, at the nearest suitable place.

3. After the time for the payment of the claim specified in the notice has elapsed, an advertisement of the sale, describing the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home to be sold, and stating the name of the owner or person on whose account it is held, and the time and place of the sale, must be published once a week for 3 consecutive weeks in a newspaper published in the place where the sale is to be held, but if no newspaper is published in that place, then in a newspaper published in this State that has a general circulation in that place. The sale must not be held less than 22 days after the time of the first publication.

4. From the proceeds of the sale the lien claimant who furnished the services, labor, fuel, accessories, facilities or supplies shall satisfy the lien,

including the reasonable charges of notice, advertisement and sale. The balance, if any, of the proceeds must be delivered, on demand, to the person to whom the lien claimant would have been bound to deliver, or justified in delivering, the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home.

Sec. 1.7. NRS 108.320 is hereby amended to read as follows:

108.320 At any time before the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home is so sold ~~{}~~ **or before a certificate of title to an abandoned recreational vehicle is issued pursuant to section 1 of this act**, any person claiming a right of property or possession therein may pay the lien claimant the amount necessary to satisfy the lien claimant's lien and to pay the reasonable expenses and liabilities incurred in serving notices and advertising and preparing for the sale up to the time of such payment. The lien claimant shall deliver the motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home to the person making the payment if the person is entitled to the possession of the property on payment of the charges thereon.

Sec. 1.8. NRS 108.330 is hereby amended to read as follows:

108.330 The remedy for enforcing the lien provided in NRS 108.270 to 108.367, inclusive, **and section 1.2 of this act** does not preclude any other remedies allowed by law for the enforcement of a lien against personal property nor bar the right to recover so much of the lienholder's claim as is not paid by the proceeds of the sale of the property.

Sec. 1.9. NRS 108.350 is hereby amended to read as follows:

108.350 Nothing contained in NRS 108.270 to 108.367, inclusive, **and section 1.2 of this act** precludes:

1. The owner of any motor vehicle, aircraft, motorcycle, motor or aircraft equipment, aircraft parts, trailer, recreational vehicle, mobile home or manufactured home; or

2. Any other person having an interest or equity in the property,
 ➔ from contesting the validity of the lien. All legal rights and remedies otherwise available to the person are reserved to and retained, except that, after a sale has been made to an innocent third party, the lien claimant is solely responsible for loss or damage occasioned the owner, or any other person having an interest or equity in the property, by reason of the invalidity of the lien, or by reason of failure of the lien claimant to proceed in the manner provided in those sections.

Sec. 2. Chapter 444 of NRS is hereby amended by adding thereto a new section to read as follows:

A municipal solid waste landfill shall accept a recreational vehicle for disposal if:

1. The person disposing of the recreational vehicle pays any applicable fee and provides the title to the recreational vehicle, indicating that he or she is the owner.

2. Accepting the recreational vehicle for disposal does not violate any applicable federal or state law or regulation relating to the operation of the municipal solid waste landfill.

Sec. 3. NRS 444.450 is hereby amended to read as follows:

444.450 As used in NRS 444.440 to 444.620, inclusive, **and section 2 of this act**, unless the context otherwise requires, the words and terms defined in NRS 444.460 to 444.501, inclusive, have the meanings ascribed to them in those sections.

Sec. 4. NRS 444.580 is hereby amended to read as follows:

444.580 **Except as otherwise provided in section 2 of this act:**

1. Any district board of health created pursuant to NRS 439.362 or 439.370 and any governing body of a municipality may adopt standards and regulations for the location, design, construction, operation and maintenance of solid waste disposal sites and solid waste management systems or any part thereof more restrictive than those adopted by the State Environmental Commission, and any district board of health may issue permits thereunder.

2. Any district board of health created pursuant to NRS 439.362 or 439.370 may adopt such other regulations as are necessary to carry out the provisions of NRS 444.440 to 444.620, inclusive ~~[-]~~, **and section 2 of this act**. Such regulations must not conflict with regulations adopted by the State Environmental Commission.

Sec. 5. This act becomes effective on July 1, 2015.

Assemblyman Wheeler moved the adoption of the amendment.

Remarks by Assemblyman Wheeler.

ASSEMBLYMAN WHEELER:

Amendment 807 makes two changes to Senate Bill 110. It allows the Department of Motor Vehicles to charge and collect the established fee for a certificate of title to an abandoned recreational vehicle [RV]. It removes all references authorizing an occupant of the private property from processing the request for an abandoned RV title. This provides that only a property owner may request a title and dispose of an abandoned RV.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 76.

Bill read second time and ordered to third reading.

Senate Bill No. 225.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 928.

AN ACT relating to crimes; prohibiting a person from selling, distributing or offering to sell vapor products and alternative nicotine products to any child

under the age of 18 years; requiring the owner of a retail establishment to display a notice containing certain information whenever vapor products or alternative nicotine products are being sold or offered for sale at the establishment; **prohibiting a retailer from selling vapor products or alternative nicotine products through the use of certain types of displays;** requiring the Attorney General to conduct inspections at locations where vapor products or alternative nicotine products are sold, distributed or offered for sale as necessary to comply with any applicable federal law; imposing certain fines; providing a civil penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits a person from selling, distributing or offering to sell cigarettes or smokeless products made or derived from tobacco in any form other than in an unopened package which originated with the manufacturer and bears any health warning required by federal law. (NRS 202.2493) **Section 2** of this bill applies such a prohibition to alternative nicotine products. **Section 2** also defines the term "smokeless product made or derived from tobacco."

Existing law also prohibits a person from selling, distributing or offering to sell cigarettes, cigarette paper, tobacco or products made or derived from tobacco to any child under the age of 18 years. A person who violates such a provision must pay a fine of not more than \$500 and a civil penalty of not more than \$500. (NRS 202.2493) **Section 2** prohibits a person from selling, distributing or offering to sell vapor products or alternative nicotine products to any child under the age of 18 years, and requires a person who violates such a provision to pay the same fine and civil penalty.

Existing law further requires the owner of a retail establishment to display a notice containing information relating to the prohibition against selling cigarettes and other tobacco products to minors whenever any product made or derived from tobacco is being sold or offered for sale at the establishment. A person who violates such a provision must pay a fine of not more than \$100. (NRS 202.2493) **Section 2** requires the owner of a retail establishment to display a notice containing information relating to the prohibition against selling vapor products and alternative nicotine products to minors whenever vapor products or alternative nicotine products are being sold or offered for sale at the establishment, and requires a person who violates such a provision to pay the same fine.

Existing law generally prohibits a retailer from selling cigarettes through the use of any type of display: (1) which contains cigarettes and is located in any area to which customers are allowed access; and (2) from which cigarettes are readily accessible to a customer without the assistance of the retailer. A person who violates such a provision must pay a fine of not more than \$500. (NRS 202.2493) Section 2 additionally prohibits a retailer from selling vapor products and alternative nicotine products through the use of any such type of display which contains vapor

products or alternative nicotine products, and requires a person who violates such a provision to pay the same fine.

Additionally, existing law requires the Attorney General, as necessary to comply with applicable federal law, to conduct random, unannounced inspections at locations where tobacco and products made or derived from tobacco are sold, distributed or offered for sale to inspect for and enforce compliance with certain provisions of law, including the prohibition against selling such products to a child under the age of 18 years. (NRS 202.2493, 202.2496) **Section 3** of this bill requires the Attorney General, as necessary to comply with any applicable federal law, to conduct such an inspection at locations where vapor products or alternative nicotine products are sold, distributed or offered for sale to inspect for and enforce compliance with certain provisions of law relating to the prohibition against selling vapor products and alternative nicotine products to a child under the age of 18 years, as set forth in **section 2**.

Section 1 of this bill defines the terms “vapor product” and “alternative nicotine product” for the purposes of **sections 2 and 3**.

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

Section 1. NRS 202.2485 is hereby amended to read as follows:
202.2485 As used in NRS 202.2485 to 202.2497, inclusive:

1. *“Alternative nicotine product” means any noncombustible product containing nicotine that is intended for human consumption, whether chewed, absorbed, dissolved or ingested by any other means. The term does not include:*

(a) A vapor product;

(b) A product made or derived from tobacco; or

(c) Any product regulated by the United States Food and Drug Administration ~~under~~ pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

2. “Distribute” includes furnishing, giving away or providing products made or derived from tobacco or samples thereof at no cost to promote the product, whether or not in combination with a sale.

~~{2-}~~ 3. “Health authority” means the district health officer in a district, or his or her designee, or, if none, the Chief Medical Officer, or his or her designee.

~~{3-}~~ 4. “Product made or derived from tobacco” does not include any product regulated by the United States Food and Drug Administration pursuant to ~~{Chapter}~~ **Subchapter** V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

5. *“Vapor product”:*

(a) Means any noncombustible product ~~{containing nicotine}~~ that employs a heating element, power source, electronic circuit or other electronic, chemical or mechanical means, regardless of the shape or size

thereof, that can be used to produce vapor ~~from nicotine~~ or aerosol in a solution or other form.

(b) Includes, without limitation:

(1) An electronic cigarette, cigar, cigarillo or pipe or a similar product or device; and

(2) A vapor cartridge or other container of nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, cigar, cigarillo or pipe or a similar product or device.

(c) Does not include any product regulated by the United States Food and Drug Administration pursuant to Subchapter V of the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 351 et seq.

Sec. 2. NRS 202.2493 is hereby amended to read as follows:

202.2493 1. A person shall not sell, distribute or offer to sell cigarettes, ~~for~~ any smokeless ~~products~~ **product** made or derived from tobacco **or any alternative nicotine product** in any form other than in an unopened package which originated with the manufacturer and bears any health warning required by federal law. A person who violates this subsection shall be punished by a fine of \$100 and a civil penalty of \$100. *As used in this subsection, “smokeless product made or derived from tobacco” means any product that consists of cut, ground, powdered or leaf tobacco and is intended to be placed in the oral or nasal cavity.*

2. Except as otherwise provided in subsections 3, 4 and 5, it is unlawful for any person to sell, distribute or offer to sell cigarettes, cigarette paper, tobacco of any description, ~~for~~ products made or derived from tobacco, **vapor products or alternative nicotine products** to any child under the age of 18 years. A person who violates this subsection shall be punished by a fine of not more than \$500 and a civil penalty of not more than \$500.

3. A person shall be deemed to be in compliance with the provisions of subsection 2 if, before the person sells, distributes or offers to sell to another, cigarettes, cigarette paper, tobacco of any description, ~~for~~ products made or derived from tobacco, **vapor products or alternative nicotine products**, the person:

(a) Demands that the other person present a valid driver’s license or other written or documentary evidence which shows that the other person is 18 years of age or older;

(b) Is presented a valid driver’s license or other written or documentary evidence which shows that the other person is 18 years of age or older; and

(c) Reasonably relies upon the driver’s license or written or documentary evidence presented by the other person.

4. The employer of a child who is under 18 years of age may, for the purpose of allowing the child to handle or transport tobacco, ~~for~~ products made or derived from tobacco, **vapor products or alternative nicotine products**, in the course of the child’s lawful employment, provide tobacco, ~~for~~ products made or derived from tobacco, **vapor products or alternative nicotine products** to the child.

5. With respect to any sale made by an employee of a retail establishment, the owner of the retail establishment shall be deemed to be in compliance with the provisions of subsection 2 if the owner:

(a) Had no actual knowledge of the sale; and

(b) Establishes and carries out a continuing program of training for employees which is reasonably designed to prevent violations of subsection 2.

6. The owner of a retail establishment shall, whenever any product made or derived from tobacco, **vapor product or alternative nicotine product** is being sold or offered for sale at the establishment, display prominently at the point of sale:

(a) A notice indicating that:

(1) The sale of cigarettes, ~~and~~ other tobacco products, **vapor products and alternative nicotine products** to minors is prohibited by law; and

(2) The retailer may ask for proof of age to comply with this prohibition; and

(b) At least one sign that complies with the requirements of NRS 442.340.

↪ A person who violates this subsection shall be punished by a fine of not more than \$100.

7. It is unlawful for any retailer to sell cigarettes, **vapor products or alternative nicotine products** through the use of any type of display:

(a) Which contains cigarettes, **vapor products or alternative nicotine products** and is located in any area to which customers are allowed access; and

(b) From which cigarettes, **vapor products or alternative nicotine products** are readily accessible to a customer without the assistance of the retailer,

↪ except a vending machine used in compliance with NRS 202.2494. A person who violates this subsection shall be punished by a fine of not more than \$500.

8. Any money recovered pursuant to this section as a civil penalty must be deposited in a separate account in the State General Fund to be used for the enforcement of this section and NRS 202.2494.

Sec. 3. NRS 202.2496 is hereby amended to read as follows:

202.2496 1. As necessary to comply with **any** applicable federal law, the Attorney General shall conduct random, unannounced inspections at locations where tobacco, ~~and~~ products made or derived from tobacco, **vapor products and alternative nicotine products** are sold, distributed or offered for sale to inspect for and enforce compliance with NRS 202.2493 and 202.2494 ~~and~~, **as applicable**. For assistance in conducting any such inspection, the Attorney General may contract with:

(a) Any sheriff's department;

(b) Any police department; or

(c) Any other person who will, in the opinion of the Attorney General, perform the inspection in a fair and impartial manner.

2. If the inspector desires to enlist the assistance of a child under the age of 18 for such an inspection, the inspector shall obtain the written consent of the child's parent for such assistance.

3. A child assisting in an inspection pursuant to this section shall, if questioned about his or her age, state his or her true age and that he or she is under 18 years of age.

4. If a child is assisting in an inspection pursuant to this section, the person supervising the inspection shall:

(a) Refrain from altering or attempting to alter the child's appearance to make the child appear to be 18 years of age or older.

(b) Photograph the child immediately before the inspection is to occur and retain any photographs taken of the child pursuant to this paragraph.

5. The person supervising an inspection using the assistance of a child shall, within a reasonable time after the inspection is completed:

(a) Inform a representative of the business establishment from which the child attempted to purchase tobacco , ~~tobacco~~ products made or derived from tobacco , **vapor products or alternative nicotine products** that an inspection has been performed and the results of that inspection.

(b) Prepare a report regarding the inspection. The report must include the following information:

(1) The name of the person who supervised the inspection and that person's position;

(2) The age and date of birth of the child who assisted in the inspection;

(3) The name and position of the person from whom the child attempted to purchase tobacco , ~~tobacco~~ products made or derived from tobacco ~~tobacco~~ , **vapor products or alternative nicotine products**;

(4) The name and address of the establishment at which the child attempted to purchase tobacco , ~~tobacco~~ products made or derived from tobacco ~~tobacco~~ , **vapor products or alternative nicotine products**;

(5) The date and time of the inspection; and

(6) The result of the inspection, including whether the inspection resulted in the sale, distribution or offering for sale of tobacco , ~~tobacco~~ products made or derived from tobacco , **vapor products or alternative nicotine products** to the child.

6. No civil or criminal action based upon an alleged violation of NRS 202.2493 or 202.2494 may be brought as a result of an inspection for compliance in which the assistance of a child has been enlisted unless the inspection has been conducted in accordance with the provisions of this section.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment defines a vapor product and authorizes a board of county commissioners to adopt ordinances related to vapor products or alternative nicotine products.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 305.

Bill read second time.

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

Amendment No. 787.

AN ACT relating to agriculture; authorizing the growth or cultivation of industrial hemp in this State under certain circumstances; excluding industrial hemp authorized to be grown or cultivated in this State from the definition of marijuana for the purposes of certain crimes; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits selling, manufacturing, delivering, bringing into the State or possessing any part of any plant of the genus *Cannabis*, whether growing or not. (NRS 453.339) On February 7, 2014, the President of the United States signed the Agricultural Act of 2014 into law. Section 7606 of the Act authorizes institutions of higher education and state departments of agriculture to cultivate industrial hemp for research purposes under an agricultural pilot program or for other agricultural or academic research. (7 U.S.C. 5940)

Section 13.5 of this bill authorizes an institution of higher education or the State Department of Agriculture to grow or cultivate industrial hemp for purposes of research conducted under an agricultural pilot program or for other agricultural or academic research. **Section 13.5** also requires each site used to grow or cultivate industrial hemp to be certified by and registered with the Department. **Section 14** of this bill authorizes the State Board of Agriculture to adopt regulations to carry out these provisions. **It and to restrict or prohibit the use of industrial hemp grown or cultivated pursuant to the provisions of this bill to manufacture cannabidiol or any preparation of cannabidiol.**

Sections 28 and 29 of this bill exclude industrial hemp, as defined in **section 7** of this bill, which is grown or cultivated for such research purposes from certain crimes relating to marijuana.

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

Section 1. Title 49 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. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 to 12, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. (Deleted by amendment.)

Sec. 3.5. *“Agricultural pilot program” means a program to study the growth, cultivation or marketing of industrial hemp.*

Sec. 4. *“Department” means the State Department of Agriculture.*

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 7. ***“Industrial hemp” means the plant Cannabis sativa L. and any part of such plant, whether growing or not, with a THC concentration of not more than 0.3 percent on a dry weight basis.***

Sec. 8. (Deleted by amendment.)

Sec. 8.5. ***“Institution of higher education” means:***

1. ***A university, college or community college which is privately owned or which is part of the Nevada System of Higher Education; and***

2. ***A postsecondary educational institution, as defined in NRS 394.099, or any other institution of higher education.***

Sec. 9. (Deleted by amendment.)

Sec. 10. (Deleted by amendment.)

Sec. 11. (Deleted by amendment.)

Sec. 12. ***“THC” has the meaning ascribed to it in NRS 453A.155.***

Sec. 13. (Deleted by amendment.)

Sec. 13.5. 1. ***An institution of higher education or the Department may grow or cultivate industrial hemp if the industrial hemp is grown or cultivated for:***

(a) ***Purposes of research conducted under an agricultural pilot program;***

or

(b) ***Other agricultural or academic research.***

2. ***Each site used for growing or cultivating industrial hemp in this State must be certified by and registered with the Department before growing or cultivating industrial hemp.***

Sec. 14. ***The State Board of Agriculture may adopt regulations to carry out the provisions of this chapter, including, without limitation, regulations necessary to:***

1. ***Establish and carry out an agricultural pilot program; ~~and~~***

2. ***Provide for the certification and registration of sites used for growing or cultivating industrial hemp ~~for~~; and***

3. ***Restrict or prohibit the use or processing of industrial hemp for the creation, manufacture, sale or use of cannabidiol or any compound, salt, derivative, mixture or preparation of cannabidiol.***

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 18. (Deleted by amendment.)

Sec. 19. (Deleted by amendment.)

Sec. 20. (Deleted by amendment.)

Sec. 21. (Deleted by amendment.)

Sec. 22. (Deleted by amendment.)

Sec. 23. (Deleted by amendment.)

Sec. 24. (Deleted by amendment.)

Sec. 25. (Deleted by amendment.)

Sec. 26. (Deleted by amendment.)

Sec. 27. (Deleted by amendment.)

Sec. 28. NRS 453.096 is hereby amended to read as follows:

453.096 1. “Marijuana” means:

- (a) All parts of any plant of the genus Cannabis, whether growing or not;
- (b) The seeds thereof;
- (c) The resin extracted from any part of the plant; and
- (d) Every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin.

2. “Marijuana” does not include ~~the~~ :

(a) Industrial hemp, as defined in section 7 of this act, which is grown or cultivated pursuant to the provisions of sections 2 to 14, inclusive, of this act; or

(b) The mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

Sec. 29. NRS 453.339 is hereby amended to read as follows:

453.339 1. Except as otherwise provided in NRS 453.011 to 453.552, inclusive, a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly or intentionally in actual or constructive possession of marijuana shall be punished, if the quantity involved:

(a) Is 100 pounds or more, but less than 2,000 pounds, for a category C felony as provided in NRS 193.130 and by a fine of not more than \$25,000.

(b) Is 2,000 pounds or more, but less than 10,000 pounds, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years and by a fine of not more than \$50,000.

(c) Is 10,000 pounds or more, for a category A felony by imprisonment in the state prison:

(1) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 5 years has been served; or

(2) For a definite term of 15 years, with eligibility for parole beginning when a minimum of 5 years has been served,

➤ and by a fine of not more than \$200,000.

2. For the purposes of this section:

(a) “Marijuana” means all parts of any plant of the genus Cannabis, whether growing or not ~~it~~, **except for industrial hemp, as defined in section 7 of this act, which is grown or cultivated pursuant to the provisions of sections 2 to 14, inclusive, of this act.**

(b) The weight of marijuana is its weight when seized or as soon as practicable thereafter.

Sec. 30. (Deleted by amendment.)

Sec. 31. (Deleted by amendment.)

Sec. 32. (Deleted by amendment.)

Sec. 33. This act becomes effective:

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

2. On January 1, 2016, for all other purposes.

Assemblywoman Titus moved the adoption of the amendment.

Remarks by Assemblywoman Titus.

ASSEMBLYWOMAN TITUS:

This amendment adds clarifying language regarding the scope of the authority of the Department of Agriculture to adopt regulations relating to certain byproducts of hemp.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Hansen moved that Senate Bill No. 240 be taken from the Chief Clerk's desk and place on the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 172.

Bill read third time.

The following amendment was proposed by Assemblywoman Titus:

Amendment No. 735.

AN ACT relating to public health; prohibiting a medical facility ~~for~~ ~~physician~~ from allowing a person who is not enrolled in good standing at an accredited medical school or school of osteopathic medicine ~~from performing~~ **to perform** or ~~participating~~ **participate** in any activity for credit towards a medical degree; **prohibiting a physician from allowing such a person to perform or participate in certain activities under certain circumstances;** requiring a medical student to attend an accredited medical school in order to possess and administer a controlled substance or dangerous drug; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1, 8 and 10 of this bill prohibit a medical facility or a physician from allowing a person to perform or participate in activities for credit toward a medical degree unless the person is enrolled in good standing at an accredited medical school. **Sections 8 and 10 exempt a physician from this prohibition if: (1) the activity takes place in a primary care practice that is located in a designated health professional shortage area and is entirely under the supervision of the physician; and (2) the physician is not currently supervising other medical students.** Sections 3-5, 9, 11 and 12 of this bill give the Division of Public and Behavioral Health of the Department of Health

and Human Services, the Board of Medical Examiners, the State Board of Osteopathic Medicine and the Board of Examiners for Long-term Care Administrators the authority to enforce this prohibition with respect to their licensees.

Under existing law, a student at an approved medical school is authorized to possess and administer a controlled substance or dangerous drug at the direction of a physician. (NRS 453.375, 454.213) **Sections 6 and 7** of this bill instead allow a medical student who attends an accredited medical school to possess and administer such drugs.

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

Section 1. Chapter 449 of NRS is hereby amended by adding thereto a new section to read as follows:

A medical facility shall not allow a person to perform or participate in any activity at the facility for the purpose of receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine, including, without limitation, clinical observation and contact with patients, unless the person is enrolled in good standing at:

1. A medical school that is accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges or their successor organizations; or

2. A school of osteopathic medicine, as defined in NRS 633.121.

Sec. 2. NRS 449.0301 is hereby amended to read as follows:

449.0301 The provisions of NRS 449.030 to 449.2428, inclusive, **and section 1 of this act** do not apply to:

1. Any facility conducted by and for the adherents of any church or religious denomination for the purpose of providing facilities for the care and treatment of the sick who depend solely upon spiritual means through prayer for healing in the practice of the religion of the church or denomination, except that such a facility shall comply with all regulations relative to sanitation and safety applicable to other facilities of a similar category.

2. Foster homes as defined in NRS 424.014.

3. Any medical facility or facility for the dependent operated and maintained by the United States Government or an agency thereof.

Sec. 3. NRS 449.0306 is hereby amended to read as follows:

449.0306 1. Money received from licensing medical facilities and facilities for the dependent must be forwarded to the State Treasurer for deposit in the State General Fund.

2. The Division shall enforce the provisions of NRS 449.030 to 449.245, inclusive, **and section 1 of this act**, and may incur any necessary expenses not in excess of money appropriated for that purpose by the State or received from the Federal Government.

Sec. 4. NRS 449.160 is hereby amended to read as follows:

449.160 1. The Division may deny an application for a license or may suspend or revoke any license issued under the provisions of NRS 449.030 to 449.2428, inclusive, **and section 1 of this act** upon any of the following grounds:

(a) Violation by the applicant or the licensee of any of the provisions of NRS 439B.410 or 449.030 to 449.245, inclusive, **and section 1 of this act**, or of any other law of this State or of the standards, rules and regulations adopted thereunder.

(b) Aiding, abetting or permitting the commission of any illegal act.

(c) Conduct inimical to the public health, morals, welfare and safety of the people of the State of Nevada in the maintenance and operation of the premises for which a license is issued.

(d) Conduct or practice detrimental to the health or safety of the occupants or employees of the facility.

(e) Failure of the applicant to obtain written approval from the Director of the Department of Health and Human Services as required by NRS 439A.100 or as provided in any regulation adopted pursuant to NRS 449.001 to 449.430, inclusive, **and section 1 of this act** and 449.435 to 449.965, inclusive, if such approval is required.

(f) Failure to comply with the provisions of NRS 449.2486.

2. In addition to the provisions of subsection 1, the Division may revoke a license to operate a facility for the dependent if, with respect to that facility, the licensee that operates the facility, or an agent or employee of the licensee:

(a) Is convicted of violating any of the provisions of NRS 202.470;

(b) Is ordered to but fails to abate a nuisance pursuant to NRS 244.360, 244.3603 or 268.4124; or

(c) Is ordered by the appropriate governmental agency to correct a violation of a building, safety or health code or regulation but fails to correct the violation.

3. The Division shall maintain a log of any complaints that it receives relating to activities for which the Division may revoke the license to operate a facility for the dependent pursuant to subsection 2. The Division shall provide to a facility for the care of adults during the day:

(a) A summary of a complaint against the facility if the investigation of the complaint by the Division either substantiates the complaint or is inconclusive;

(b) A report of any investigation conducted with respect to the complaint; and

(c) A report of any disciplinary action taken against the facility.

↪ The facility shall make the information available to the public pursuant to NRS 449.2486.

4. On or before February 1 of each odd-numbered year, the Division shall submit to the Director of the Legislative Counsel Bureau a written report setting forth, for the previous biennium:

(a) Any complaints included in the log maintained by the Division pursuant to subsection 3; and

(b) Any disciplinary actions taken by the Division pursuant to subsection 2.

Sec. 5. NRS 449.163 is hereby amended to read as follows:

449.163 1. In addition to the payment of the amount required by NRS 449.0308, if a medical facility or facility for the dependent violates any provision related to its licensure, including any provision of NRS 439B.410 or 449.030 to 449.2428, inclusive, **and section 1 of this act**, or any condition, standard or regulation adopted by the Board, the Division, in accordance with the regulations adopted pursuant to NRS 449.165, may:

(a) Prohibit the facility from admitting any patient until it determines that the facility has corrected the violation;

(b) Limit the occupancy of the facility to the number of beds occupied when the violation occurred, until it determines that the facility has corrected the violation;

(c) If the license of the facility limits the occupancy of the facility and the facility has exceeded the approved occupancy, require the facility, at its own expense, to move patients to another facility that is licensed;

(d) Impose an administrative penalty of not more than \$1,000 per day for each violation, together with interest thereon at a rate not to exceed 10 percent per annum; and

(e) Appoint temporary management to oversee the operation of the facility and to ensure the health and safety of the patients of the facility, until:

(1) It determines that the facility has corrected the violation and has management which is capable of ensuring continued compliance with the applicable statutes, conditions, standards and regulations; or

(2) Improvements are made to correct the violation.

2. If a violation by a medical facility or facility for the dependent relates to the health or safety of a patient, an administrative penalty imposed pursuant to paragraph (d) of subsection 1 must be in a total amount of not less than \$1,000 and not more than \$10,000 for each patient who was harmed or at risk of harm as a result of the violation.

3. If the facility fails to pay any administrative penalty imposed pursuant to paragraph (d) of subsection 1, the Division may:

(a) Suspend the license of the facility until the administrative penalty is paid; and

(b) Collect court costs, reasonable attorney's fees and other costs incurred to collect the administrative penalty.

4. The Division may require any facility that violates any provision of NRS 439B.410 or 449.030 to 449.2428, inclusive, **and section 1 of this act**, or any condition, standard or regulation adopted by the Board to make any improvements necessary to correct the violation.

5. Any money collected as administrative penalties pursuant to paragraph (d) of subsection 1 must be accounted for separately and used to administer and carry out the provisions of NRS 449.001 to 449.430, inclusive, **and section 1 of this act** and 449.435 to 449.965, inclusive, and to protect the health, safety,

well-being and property of the patients and residents of facilities in accordance with applicable state and federal standards.

Sec. 6. NRS 453.375 is hereby amended to read as follows:

453.375 A controlled substance may be possessed and administered by the following persons:

1. A practitioner.
2. A registered nurse licensed to practice professional nursing or licensed practical nurse, at the direction of a physician, physician assistant, dentist, podiatric physician or advanced practice registered nurse, or pursuant to a chart order, for administration to a patient at another location.
3. A paramedic:
 - (a) As authorized by regulation of:
 - (1) The State Board of Health in a county whose population is less than 100,000; or
 - (2) A county or district board of health in a county whose population is 100,000 or more; and
 - (b) In accordance with any applicable regulations of:
 - (1) The State Board of Health in a county whose population is less than 100,000;
 - (2) A county board of health in a county whose population is 100,000 or more; or
 - (3) A district board of health created pursuant to NRS 439.362 or 439.370 in any county.
4. A respiratory therapist, at the direction of a physician or physician assistant.
5. A medical student, student in training to become a physician assistant or student nurse in the course of his or her studies at an ~~approved~~ **accredited** college of medicine or **approved** school of professional or practical nursing, at the direction of a physician or physician assistant and:
 - (a) In the presence of a physician, physician assistant or a registered nurse; or
 - (b) Under the supervision of a physician, physician assistant or a registered nurse if the student is authorized by the college or school to administer the substance outside the presence of a physician, physician assistant or nurse.

➡ A medical student or student nurse may administer a controlled substance in the presence or under the supervision of a registered nurse alone only if the circumstances are such that the registered nurse would be authorized to administer it personally.
6. An ultimate user or any person whom the ultimate user designates pursuant to a written agreement.
7. Any person designated by the head of a correctional institution.
8. A veterinary technician at the direction of his or her supervising veterinarian.

9. In accordance with applicable regulations of the State Board of Health, an employee of a residential facility for groups, as defined in NRS 449.017, pursuant to a written agreement entered into by the ultimate user.

10. In accordance with applicable regulations of the State Board of Pharmacy, an animal control officer, a wildlife biologist or an employee designated by a federal, state or local governmental agency whose duties include the control of domestic, wild and predatory animals.

11. A person who is enrolled in a training program to become a paramedic, respiratory therapist or veterinary technician if the person possesses and administers the controlled substance in the same manner and under the same conditions that apply, respectively, to a paramedic, respiratory therapist or veterinary technician who may possess and administer the controlled substance, and under the direct supervision of a person licensed or registered to perform the respective medical art or a supervisor of such a person.

12. As used in this section, “accredited college of medicine” means:

(a) A medical school that is accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges or their successor organizations; or

(b) A school of osteopathic medicine, as defined in NRS 633.121.

Sec. 7. NRS 454.213 is hereby amended to read as follows:

454.213 A drug or medicine referred to in NRS 454.181 to 454.371, inclusive, may be possessed and administered by:

1. A practitioner.

2. A physician assistant licensed pursuant to chapter 630 or 633 of NRS, at the direction of his or her supervising physician or a licensed dental hygienist acting in the office of and under the supervision of a dentist.

3. Except as otherwise provided in subsection 4, a registered nurse licensed to practice professional nursing or licensed practical nurse, at the direction of a prescribing physician, physician assistant licensed pursuant to chapter 630 or 633 of NRS, dentist, podiatric physician or advanced practice registered nurse, or pursuant to a chart order, for administration to a patient at another location.

4. In accordance with applicable regulations of the Board, a registered nurse licensed to practice professional nursing or licensed practical nurse who is:

(a) Employed by a health care agency or health care facility that is authorized to provide emergency care, or to respond to the immediate needs of a patient, in the residence of the patient; and

(b) Acting under the direction of the medical director of that agency or facility who works in this State.

5. A medication aide - certified at a designated facility under the supervision of an advanced practice registered nurse or registered nurse and in accordance with standard protocols developed by the State Board of Nursing.

As used in this subsection, “designated facility” has the meaning ascribed to it in NRS 632.0145.

6. Except as otherwise provided in subsection 7, an advanced emergency medical technician or a paramedic, as authorized by regulation of the State Board of Pharmacy and in accordance with any applicable regulations of:

(a) The State Board of Health in a county whose population is less than 100,000;

(b) A county board of health in a county whose population is 100,000 or more; or

(c) A district board of health created pursuant to NRS 439.362 or 439.370 in any county.

7. An advanced emergency medical technician or a paramedic who holds an endorsement issued pursuant to NRS 450B.1975, under the direct supervision of a local health officer or a designee of the local health officer pursuant to that section.

8. A respiratory therapist employed in a health care facility. The therapist may possess and administer respiratory products only at the direction of a physician.

9. A dialysis technician, under the direction or supervision of a physician or registered nurse only if the drug or medicine is used for the process of renal dialysis.

10. A medical student or student nurse in the course of his or her studies at an ~~approved~~ **accredited** college of medicine or **approved** school of professional or practical nursing, at the direction of a physician and:

(a) In the presence of a physician or a registered nurse; or

(b) Under the supervision of a physician or a registered nurse if the student is authorized by the college or school to administer the drug or medicine outside the presence of a physician or nurse.

➡ A medical student or student nurse may administer a dangerous drug in the presence or under the supervision of a registered nurse alone only if the circumstances are such that the registered nurse would be authorized to administer it personally.

11. Any person designated by the head of a correctional institution.

12. An ultimate user or any person designated by the ultimate user pursuant to a written agreement.

13. A nuclear medicine technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

14. A radiologic technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

15. A chiropractic physician, but only if the drug or medicine is a topical drug used for cooling and stretching external tissue during therapeutic treatments.

16. A physical therapist, but only if the drug or medicine is a topical drug which is:

(a) Used for cooling and stretching external tissue during therapeutic treatments; and

(b) Prescribed by a licensed physician for:

(1) Iontophoresis; or

(2) The transmission of drugs through the skin using ultrasound.

17. In accordance with applicable regulations of the State Board of Health, an employee of a residential facility for groups, as defined in NRS 449.017, pursuant to a written agreement entered into by the ultimate user.

18. A veterinary technician or a veterinary assistant at the direction of his or her supervising veterinarian.

19. In accordance with applicable regulations of the Board, a registered pharmacist who:

(a) Is trained in and certified to carry out standards and practices for immunization programs;

(b) Is authorized to administer immunizations pursuant to written protocols from a physician; and

(c) Administers immunizations in compliance with the “Standards for Immunization Practices” recommended and approved by the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention.

20. A registered pharmacist pursuant to written guidelines and protocols developed and approved pursuant to NRS 639.2809.

21. A person who is enrolled in a training program to become a physician assistant licensed pursuant to chapter 630 or 633 of NRS, dental hygienist, advanced emergency medical technician, paramedic, respiratory therapist, dialysis technician, nuclear medicine technologist, radiologic technologist, physical therapist or veterinary technician if the person possesses and administers the drug or medicine in the same manner and under the same conditions that apply, respectively, to a physician assistant licensed pursuant to chapter 630 or 633 of NRS, dental hygienist, advanced emergency medical technician, paramedic, respiratory therapist, dialysis technician, nuclear medicine technologist, radiologic technologist, physical therapist or veterinary technician who may possess and administer the drug or medicine, and under the direct supervision of a person licensed or registered to perform the respective medical art or a supervisor of such a person.

22. A medical assistant, in accordance with applicable regulations of the:

(a) Board of Medical Examiners, at the direction of the prescribing physician and under the supervision of a physician or physician assistant.

(b) State Board of Osteopathic Medicine, at the direction of the prescribing physician and under the supervision of a physician or physician assistant.

23. *As used in this section, “accredited college of medicine” has the meaning ascribed to it in NRS 453.375.*

Sec. 8. Chapter 630 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1-A~~

1. Except as otherwise provided in subsection 2, a physician shall not allow a person to perform or participate in any activity under the supervision of the physician for the purpose of receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine, including, without limitation, clinical observation and contact with patients, unless the person is enrolled in good standing at:

~~{1-}~~ (a) A medical school that is accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges or their successor organizations; or

~~{2-}~~ (b) A school of osteopathic medicine, as defined in NRS 633.121.

2. The provisions of subsection 1 do not apply to a physician who supervises an activity performed by a person for the purpose of receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine if:

(a) The activity takes place:

(1) In a primary care practice that is located in an area that has been designated by the United States Secretary of Health and Human Services as a health professional shortage area pursuant to 42 U.S.C. § 254e; and

(2) Entirely under the supervision of the physician; and

(b) The physician is not currently supervising any other person who is receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine.

3. As used in this section, "primary care practice" means a health care practice operated by one or more physicians who practice in the area of family practice, internal medicine or pediatrics.

Sec. 9. NRS 630.306 is hereby amended to read as follows:

630.306 The following acts, among others, constitute grounds for initiating disciplinary action or denying licensure:

1. Inability to practice medicine with reasonable skill and safety because of illness, a mental or physical condition or the use of alcohol, drugs, narcotics or any other substance.

2. Engaging in any conduct:

(a) Which is intended to deceive;

(b) Which the Board has determined is a violation of the standards of practice established by regulation of the Board; or

(c) Which is in violation of a regulation adopted by the State Board of Pharmacy.

3. Administering, dispensing or prescribing any controlled substance, or any dangerous drug as defined in chapter 454 of NRS, to or for himself or herself or to others except as authorized by law.

4. Performing, assisting or advising the injection of any substance containing liquid silicone into the human body, except for the use of silicone oil to repair a retinal detachment.

5. Practicing or offering to practice beyond the scope permitted by law or performing services which the licensee knows or has reason to know that he or she is not competent to perform or which are beyond the scope of his or her training.

6. Performing, without first obtaining the informed consent of the patient or the patient's family, any procedure or prescribing any therapy which by the current standards of the practice of medicine is experimental.

7. Continual failure to exercise the skill or diligence or use the methods ordinarily exercised under the same circumstances by physicians in good standing practicing in the same specialty or field.

8. Habitual intoxication from alcohol or dependency on controlled substances.

9. Making or filing a report which the licensee or applicant knows to be false or failing to file a record or report as required by law or regulation.

10. Failing to comply with the requirements of NRS 630.254.

11. Failure by a licensee or applicant to report in writing, within 30 days, any disciplinary action taken against the licensee or applicant by another state, the Federal Government or a foreign country, including, without limitation, the revocation, suspension or surrender of a license to practice medicine in another jurisdiction.

12. Failure by a licensee or applicant to report in writing, within 30 days, any criminal action taken or conviction obtained against the licensee or applicant, other than a minor traffic violation, in this State or any other state or by the Federal Government, a branch of the Armed Forces of the United States or any local or federal jurisdiction of a foreign country.

13. Failure to be found competent to practice medicine as a result of an examination to determine medical competency pursuant to NRS 630.318.

14. Operation of a medical facility at any time during which:

(a) The license of the facility is suspended or revoked; or

(b) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.

➡ This subsection applies to an owner or other principal responsible for the operation of the facility.

15. Failure to comply with the requirements of NRS 630.373.

16. Engaging in any act that is unsafe or unprofessional conduct in accordance with regulations adopted by the Board.

17. Knowingly procuring or administering a controlled substance or a dangerous drug as defined in chapter 454 of NRS that is not approved by the United States Food and Drug Administration, unless the unapproved controlled substance or dangerous drug:

(a) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;

(b) Was procured through a Canadian pharmacy which is licensed pursuant to chapter 639 of NRS and which has been recommended by the State Board of Pharmacy pursuant to subsection 4 of NRS 639.2328; or

(c) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS.

18. Failure to supervise adequately a medical assistant pursuant to the regulations of the Board.

19. *Failure to comply with the provisions of section 8 of this act.*

Sec. 10. Chapter 633 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. Am~~

1. Except as otherwise provided in subsection 2, an osteopathic physician shall not allow a person to perform or participate in any activity under the supervision of the osteopathic physician for the purpose of receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine, including, without limitation, clinical observation and contact with patients, unless the person is enrolled in good standing at:

~~1.1~~ **(a) A medical school that is accredited by the Liaison Committee on Medical Education of the American Medical Association and the Association of American Medical Colleges or their successor organizations;**
or

~~1.2~~ **(b) A school of osteopathic medicine.**

2. The provisions of subsection 1 do not apply to an osteopathic physician who supervises an activity performed by a person for the purpose of receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine if:

(a) The activity takes place:

(1) In a primary care practice that is located in an area that has been designated by the United States Secretary of Health and Human Services as a health professional shortage area pursuant to 42 U.S.C. 254e; and

(2) Entirely under the supervision of the osteopathic physician; and

(b) The osteopathic physician is not currently supervising any other person who is receiving credit toward a degree of doctor of medicine, osteopathy or osteopathic medicine.

3. As used in this section, "primary care practice" means a health care practice operated by one or more physicians who practice in the area of family practice, internal medicine or pediatrics.

Sec. 11. NRS 633.511 is hereby amended to read as follows:

633.511 The grounds for initiating disciplinary action pursuant to this chapter are:

1. Unprofessional conduct.

2. Conviction of:

(a) A violation of any federal or state law regulating the possession, distribution or use of any controlled substance or any dangerous drug as defined in chapter 454 of NRS;

(b) A felony relating to the practice of osteopathic medicine or practice as a physician assistant;

(c) A violation of any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive;

(d) Murder, voluntary manslaughter or mayhem;

(e) Any felony involving the use of a firearm or other deadly weapon;

(f) Assault with intent to kill or to commit sexual assault or mayhem;

(g) Sexual assault, statutory sexual seduction, incest, lewdness, indecent exposure or any other sexually related crime;

(h) Abuse or neglect of a child or contributory delinquency; or

(i) Any offense involving moral turpitude.

3. The suspension of a license to practice osteopathic medicine or to practice as a physician assistant by any other jurisdiction.

4. Malpractice or gross malpractice, which may be evidenced by a claim of malpractice settled against a licensee.

5. Professional incompetence.

6. Failure to comply with the requirements of NRS 633.527.

7. Failure to comply with the requirements of subsection 3 of NRS 633.471.

8. Failure to comply with the provisions of NRS 633.694.

9. Operation of a medical facility, as defined in NRS 449.0151, at any time during which:

(a) The license of the facility is suspended or revoked; or

(b) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.

➡ This subsection applies to an owner or other principal responsible for the operation of the facility.

10. Failure to comply with the provisions of subsection 2 of NRS 633.322.

11. Signing a blank prescription form.

12. Knowingly procuring or administering a controlled substance or a dangerous drug as defined in chapter 454 of NRS that is not approved by the United States Food and Drug Administration, unless the unapproved controlled substance or dangerous drug:

(a) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;

(b) Was procured through a Canadian pharmacy which is licensed pursuant to chapter 639 of NRS and which has been recommended by the State Board of Pharmacy pursuant to subsection 4 of NRS 639.2328; or

(c) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS.

13. Attempting, directly or indirectly, by intimidation, coercion or deception, to obtain or retain a patient or to discourage the use of a second opinion.

14. Terminating the medical care of a patient without adequate notice or without making other arrangements for the continued care of the patient.

15. In addition to the provisions of subsection 3 of NRS 633.524, making or filing a report which the licensee knows to be false, failing to file a record

or report that is required by law or willfully obstructing or inducing another to obstruct the making or filing of such a record or report.

16. Failure to report any person the licensee knows, or has reason to know, is in violation of the provisions of this chapter or the regulations of the Board within 30 days after the date the licensee knows or has reason to know of the violation.

17. Failure by a licensee or applicant to report in writing, within 30 days, any criminal action taken or conviction obtained against the licensee or applicant, other than a minor traffic violation, in this State or any other state or by the Federal Government, a branch of the Armed Forces of the United States or any local or federal jurisdiction of a foreign country.

18. Engaging in any act that is unsafe in accordance with regulations adopted by the Board.

19. Failure to comply with the provisions of NRS 633.165.

20. Failure to supervise adequately a medical assistant pursuant to the regulations of the Board.

21. Failure to comply with the provisions of section 10 of this act.

Sec. 12. NRS 654.190 is hereby amended to read as follows:

654.190 1. The Board may, after notice and an opportunity for a hearing as required by law, impose an administrative fine of not more than \$10,000 for each violation on, recover reasonable investigative fees and costs incurred from, suspend, revoke, deny the issuance or renewal of or place conditions on the license of, and place on probation or impose any combination of the foregoing on any nursing facility administrator or administrator of a residential facility for groups who:

(a) Is convicted of a felony relating to the practice of administering a nursing facility or residential facility or of any offense involving moral turpitude.

(b) Has obtained his or her license by the use of fraud or deceit.

(c) Violates any of the provisions of this chapter.

(d) Aids or abets any person in the violation of any of the provisions of NRS 449.030 to 449.2428, inclusive, **and section 1 of this act**, as those provisions pertain to a facility for skilled nursing, facility for intermediate care or residential facility for groups.

(e) Violates any regulation of the Board prescribing additional standards of conduct for nursing facility administrators or administrators of residential facilities for groups, including, without limitation, a code of ethics.

(f) Engages in conduct that violates the trust of a patient or resident or exploits the relationship between the nursing facility administrator or administrator of a residential facility for groups and the patient or resident for the financial or other gain of the licensee.

2. If a licensee requests a hearing pursuant to subsection 1, the Board shall give the licensee written notice of a hearing pursuant to NRS 233B.121 and 241.034. A licensee may waive, in writing, his or her right to attend the hearing.

3. The Board may compel the attendance of witnesses or the production of documents or objects by subpoena. The Board may adopt regulations that set forth a procedure pursuant to which the Chair of the Board may issue subpoenas on behalf of the Board. Any person who is subpoenaed pursuant to this subsection may request the Board to modify the terms of the subpoena or grant additional time for compliance.

4. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

5. The expiration of a license by operation of law or by order or decision of the Board or a court, or the voluntary surrender of a license, does not deprive the Board of jurisdiction to proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.

Sec. 12.5. The amendatory provisions of this act do not apply to any activity authorized pursuant to a contract entered into before July 1, 2015, between a facility licensed pursuant to chapter 449 of NRS and a medical school or medical school training institution that is listed in the International Medical Education Directory managed by the Foundation for Advancement of International Medical Education and Research.

Sec. 13. This act becomes effective on July 1, 2015.

Assemblywoman Titus moved the adoption of the amendment.

Remarks by Assemblywomen Titus and Benitez-Thompson.

ASSEMBLYWOMAN TITUS:

Amendment 735 to Senate Bill 172 allows physicians that are in an underserved area to have medical students that may be foreign medical students rotate with them under their direct supervision as long as they are directly supervised and they are in a shortage area.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I have a question for the proponent of the amendment. As I read it and look at the language that is being added, American students have to meet the standard and the requirement of being in good standing and being from a medical school that is accredited by the American Medical Association, the Liason Committee on Medical Education, or the Association of American Medical Colleges. So American students have to meet those two standards before they can be placed and be laying their hands and practicing. They have to be from an accredited institution and they have to be in good standing. The way I read this amendment, it is saying that international students do not have to be held to that same standard. If that is true, then we are holding our American medical students to a higher standard by allowing international students to come into our rural areas and not have to meet those same qualifications.

ASSEMBLYWOMAN TITUS:

Thank you for that question, my noted Assembly colleague from northern Nevada. To clarify that so that everyone understands what the real issue is, we have medical students from foreign medical schools come to America all the time. We have doctors from foreign medical schools come to America all the time. They have to pass certain tests to get here and then they are mainstreamed into the accredited programs. What this bill would prohibit and did not intend to—which is why the sponsor of this bill has allowed me to bring forward this amendment and will accept it on the other side—is recognize that there are many Nevada students who do not get accepted into Nevada medical schools who then do their training in Caribbean schools and in foreign schools. They want to come back here to Nevada and to the United States, and many do if there is an opening in the program. But many do not know what schools they want to go to

when they finish perhaps their first two years. What this bill allows, and what has already happened, is students who are Nevada kids or kids from America can come back and rotate with us to see what my rural practice is like and what other rural practices are like. They may want to set up a practice or set up a residency here. We do now have residents from many foreign medical schools in this state.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 12.

Bill read third time.

Remarks by Assemblyman O'Neill.

ASSEMBLYMAN O'NEILL:

Senate Bill 12 replaces the position of Assistant Investment Officer within the Public Employees' Retirement System with a position of Chief Financial Officer.

Roll call on Senate Bill No. 12:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 12 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 25.

Bill read third time.

Remarks by Assemblyman Gardner.

ASSEMBLYMAN GARDNER:

Senate Bill 25 makes various changes to the administrative practices of Nevada's Department of Education. Among its provisions, Senate Bill 25 revises the manner in which distance education courses are funded; changes the Department's budget submission process to reflect its statutory governance structure; allows the parties to a hearing concerning the suspension or revocation of a teaching license to agree to extend the hearing deadline date; authorizes Educational Trust Account expenditures to be authorized by the Interim Finance Committee when the Legislature is not in session; and authorizes hospitals or other facilities licensed by the Division of Public and Behavioral Health for residential treatment of children, which operate a licensed private school, to receive unused allocations of special education program units.

Roll call on Senate Bill No. 25:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 25 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 29.

Bill read third time.

Remarks by Assemblyman Wheeler.

ASSEMBLYMAN WHEELER:

Senate Bill 29 provides that a board of county commissioners is authorized, with certain exceptions, to exercise all powers necessary or proper to address matters of local concern for the effective operation of county government, whether or not the powers are expressly granted to the board. Matters of local concern include any matters that primarily affect or impact areas located in the county or persons who reside, work, or visit the county and that do not have a significant effect or impact on areas located in other counties. These powers remain subject to all federal and state constitutional, statutory, and regulatory provisions. The bill also provides a list of powers a board of county commissioners cannot exercise without being expressly authorized by law.

Roll call on Senate Bill No. 29:

YEAS—32.

NAYS—Elliot Anderson, Araujo, Bustamante Adams, Carrillo, Flores, Neal, Oscarson, Seaman, Swank—9.

EXCUSED—Kimer.

Senate Bill No. 29 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 33.

Bill read third time.

Remarks by Assemblyman Gardner.

ASSEMBLYMAN GARDNER:

Senate Bill 33 authorizes the board of hospital trustees of a county hospital to hold a closed meeting to discuss providing a new service at the hospital, materially expanding an existing service, acquiring an additional facility for the hospital, or materially expanding an existing facility. The records of such a meeting become public five years after the date of the meeting or when the board determines that confidentiality is no longer required, whichever occurs first.

Roll call on Senate Bill No. 33:

YEAS—39.

NAYS—Elliot Anderson, Sprinkle—2.

EXCUSED—Kimer.

Senate Bill No. 33 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 39.

Bill read third time.

Remarks by Assemblyman Ohrenschall.

ASSEMBLYMAN OHRENSCHALL:

Senate Bill 39 Senate Bill 39 requires that a state business license contain a business identification number assigned by the Secretary of State and that the Secretary of State assign an identification number in certain instances. In addition, the measure requires certain persons who are exempt from obtaining a state business license to obtain a certificate of exemption from the Secretary of State each year. The measure provides that the penalty for conducting business without obtaining a license be assessed for each year in which the business was conducted without a license and applies the penalty for not renewing a license until the person cancels his or her business license. If the person has not conducted business during the period in question, the Secretary of State shall waive any fees or penalties that have accrued.

The bill expands a resident agent's responsibility to receive and forward any service of process, notice, or demand and to maintain certain documents for a represented entity. It also provides that process may be served on a business by serving the business's resident agent and that the service

is valid, regardless of whether the business is in default or revoked status or if there are any debts or disputes between the business and the resident agent.

Senate Bill 39 also allows the Secretary of State to halt the accrual of fees for a domestic or foreign business whose charter or certificate has been revoked. Similarly, the bill expands provisions concerning the renewal of a charter or certificate to additional domestic and foreign entities. Finally, the bill exempts from the annual state business license fee certain nonprofit unit-owners' associations.

Senate Bill 39 was presented by the Secretary of State. It is about 50 pages long. I could speak for about 50 minutes as to how great it is and how wonderful it is. I plan on doing that. Page 1—it is a great bill. I hope that everyone will support it.

Roll call on Senate Bill No. 39:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 39 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 53.

Bill read third time.

The following amendment was proposed by Assemblyman Ohrenschall:

Amendment No. 904.

SUMMARY—Revises provisions relating to ~~for certain postconviction petitions for writs of habeas corpus.~~ **criminal procedure.** (BDR 3-156)

AN ACT relating to criminal procedure; requiring an incarcerated person to exhaust all available administrative remedies before filing a postconviction petition for a writ of habeas corpus challenging the computation of time the person has served pursuant to a judgment of conviction; **revising provisions concerning the withdrawal of certain pleas after sentence is imposed or imposition of sentence is suspended;** requiring a court to dismiss ~~such~~ a **postconviction petition for a writ of habeas corpus** upon determining that the petitioner has not exhausted all available administrative remedies; requiring the Department of Corrections to establish procedures for the expedited resolution of a challenge to the computation of time that an offender has served under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a person convicted of a crime and under sentence of death or imprisonment who claims that the time the person has served pursuant to the judgment of conviction has been improperly computed to file a postconviction petition for a writ of habeas corpus to challenge the computation of time that the person has served. (NRS 34.724) **Section 1** of this bill requires a person to exhaust all administrative remedies available for resolving a challenge to the computation of time that he or she has served as set forth in regulations adopted by the Department of Corrections before the person may file such a petition. **Section 2** of this bill requires a court to dismiss such a petition if the court determines that the petitioner has not exhausted all

available administrative remedies. **Section 2.5** of this bill requires the Department to establish procedures for the expedited resolution of a challenge to the computation of time that an offender has served that is brought by the offender within 180 days before the offender's projected discharge date as determined by the Department. **Section 3** of this bill provides that the amendatory provisions of this bill do not apply to a postconviction petition for a writ of habeas corpus which challenges the computation of time that a petitioner has served that is filed on or before the effective date of this bill.

Existing law also authorizes a person convicted of a crime and under sentence of death or imprisonment to file a postconviction petition for a writ of habeas corpus to challenge the conviction or sentence as having been obtained or imposed in violation of state law or a constitutional right. Existing law provides that, with the exception of a direct appeal or a remedy which is incident to the proceedings in the trial court, the petition for a writ of habeas corpus replaces all other common law, statutory or other remedies which have been available for challenging the validity of the conviction or sentence and must be used exclusively in place of them. (NRS 34.724) Existing law also authorizes a criminal defendant to withdraw a plea of guilty, guilty but mentally ill or nolo contendere at any time before sentencing, and also permits the withdrawal of such a plea after sentencing, but only to correct a manifest injustice. (NRS 176.165)

In 2000, the Nevada Supreme Court held that a postconviction motion to withdraw a guilty plea to correct a manifest injustice was a remedy incident to the proceedings in the trial court. Accordingly, the motion had not been replaced by the petition for a writ of habeas corpus and was not subject to the various procedural requirements that govern such petitions. (Hart v. State, 116 Nev. 558 (2000)) The Nevada Supreme Court recently overruled Hart. The Court held that a postconviction petition for a writ of habeas corpus provides the exclusive remedy for a challenge to the validity of a guilty plea made after sentencing for persons in custody on the conviction being challenged and overruled Hart to the extent that it concluded otherwise. (Harris v. State, 130 Nev. Adv. Op. 47, 329 P.3d 619 (2014))

Section 1 expressly provides that a motion to withdraw a plea of guilty, guilty but mentally ill or nolo contendere pursuant to NRS 176.165 that is made after sentence is imposed or imposition of sentence is suspended is a remedy which is incident to the proceedings in the trial court.

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

Section 1. NRS 34.724 is hereby amended to read as follows:

34.724 1. ~~Any~~ *Except as otherwise provided in subsection 3, any* person convicted of a crime and under sentence of death or imprisonment who claims that the conviction was obtained, or that the sentence was imposed, in violation of the Constitution of the United States or the Constitution or laws of

this State, or who claims that the time the person has served pursuant to the judgment of conviction has been improperly computed, may, without paying a filing fee, file a postconviction petition for a writ of habeas corpus to obtain relief from the conviction or sentence or to challenge the computation of time that the person has served.

2. Such a petition:

(a) Is not a substitute for and does not affect any remedies which are incident to the proceedings in the trial court or the remedy of direct review of the sentence or conviction.

(b) Comprehends and takes the place of all other common-law, statutory or other remedies which have been available for challenging the validity of the conviction or sentence, and must be used exclusively in place of them.

~~[(c) Is the only remedy available to an incarcerated person to challenge]~~

3. ***Before a person may file a petition pursuant to this section that challenges the computation of time that the person has served pursuant to a judgment of conviction ~~[-]~~, the person must exhaust all administrative remedies available for resolving a challenge to the computation of time that the person has served as set forth in regulations adopted by the Department of Corrections.***

4. ***For the purposes of this section, a motion to withdraw a plea of guilty, guilty but mentally ill or nolo contendere pursuant to NRS 176.165 that is made after sentence is imposed or imposition of sentence is suspended is a remedy which is incident to the proceedings in the trial court.***

Sec. 2. NRS 34.810 is hereby amended to read as follows:

34.810 1. The court shall dismiss a petition if the court determines that:

(a) The petitioner's conviction was upon a plea of guilty or guilty but mentally ill and the petition is not based upon an allegation that the plea was involuntarily or unknowingly entered or that the plea was entered without effective assistance of counsel.

(b) The petitioner's conviction was the result of a trial and the grounds for the petition could have been:

(1) Presented to the trial court;

(2) Raised in a direct appeal or a prior petition for a writ of habeas corpus or postconviction relief; or

(3) Raised in any other proceeding that the petitioner has taken to secure relief from the petitioner's conviction and sentence,

↪ unless the court finds both cause for the failure to present the grounds and actual prejudice to the petitioner.

2. A second or successive petition must be dismissed if the judge or justice determines that it fails to allege new or different grounds for relief and that the prior determination was on the merits or, if new and different grounds are alleged, the judge or justice finds that the failure of the petitioner to assert those grounds in a prior petition constituted an abuse of the writ.

3. Pursuant to subsections 1 and 2, the petitioner has the burden of pleading and proving specific facts that demonstrate:

(a) Good cause for the petitioner's failure to present the claim or for presenting the claim again; and

(b) Actual prejudice to the petitioner.

↪ The petitioner shall include in the petition all prior proceedings in which the petitioner challenged the same conviction or sentence.

4. *The court shall dismiss a petition that challenges the computation of time which a petitioner has served pursuant to a judgment of conviction if the court determines that the petitioner has not exhausted all administrative remedies available for resolving a challenge to the computation of time which the petitioner has served as required pursuant to subsection 3 of NRS 34.724.*

5. The court may dismiss a petition that fails to include any prior proceedings of which the court has knowledge through the record of the court or through the pleadings submitted by the respondent.

Sec. 2.5. Chapter 209 of NRS is hereby amended by adding thereto a new section to read as follows:

The Department shall adopt regulations to establish procedures for the expedited resolution of a challenge to the computation of time that an offender has served that is brought by the offender within 180 days before the offender's projected discharge date as determined by the Department.

Sec. 2.7. NRS 209.432 is hereby amended to read as follows:

209.432 As used in NRS 209.432 to 209.451, inclusive, **and section 2.5 of this act**, unless the context otherwise requires:

1. "Offender" includes:

(a) A person who is convicted of a felony under the laws of this State and sentenced, ordered or otherwise assigned to serve a term of residential confinement.

(b) A person who is convicted of a felony under the laws of this State and assigned to the custody of the Division of Parole and Probation of the Department of Public Safety pursuant to NRS 209.4886 or 209.4888.

2. "Residential confinement" means the confinement of a person convicted of a felony to his or her place of residence under the terms and conditions established pursuant to specific statute. The term does not include any confinement ordered pursuant to NRS 176A.530 to 176A.560, inclusive, 176A.660 to 176A.690, inclusive, 213.15105, 213.15193 or 213.152 to 213.1528, inclusive.

Sec. 3. 1. The amendatory provisions of this act do not apply to a postconviction petition for a writ of habeas corpus that challenges the computation of time which a petitioner has served pursuant to a judgment of conviction that is filed on or before the effective date of this act.

2. The amendatory provisions of subsection 4 of section 1 of this act apply to any motion to withdraw a plea of guilty, guilty but mentally ill or nolo contendere pursuant to NRS 176.165 that is made after sentence is imposed or imposition of sentence is suspended that is pending on or after June 12, 2014.

Sec. 4. This act becomes effective upon passage and approval.

Assemblyman Ohrenschall moved the adoption of the amendment.

Remarks by Assemblyman Ohrenschall.

ASSEMBLYMAN OHRENSCHALL:

Amendment 904 to Senate Bill 53 incorporates the language of Assembly Bill 262 that passed out of your Committee on Judiciary unanimously earlier this spring and passed out of this house unanimously. The amendment will allow a person to petition the court to request to withdraw a guilty plea if and only if they are able to establish that there was a violation of a constitutional right in their case, that that violation resulted in a manifest injustice, and that the withdrawal of the plea does not unduly prejudice the prosecutors.

In the committee, we heard testimony of examples in which a person did not learn of serious negative consequences until years after they had entered a plea. There was testimony about people who had entered a guilty plea without proper advice from an attorney or perhaps an attorney had not been appointed for them. Years later, they found out they may not be able to own a firearm or remain a member of the military due to loss of an important right like that. In a case such as that where the defendant does not learn of the consequences until years later and they can establish that their constitutional rights were violated during this process, the current remedies available in statute, habeas corpus and coram nobis, are not going to address their issue and are not going to provide a remedy. I urge the body to adopt the amendment.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 54.

Bill read third time.

Remarks by Assemblywoman Diaz.

ASSEMBLYWOMAN DIAZ:

Senate Bill 54 provides that for all category A felonies—except murder or sexual assault—and for certain category B felonies, if a comprehensive risk assessment conducted by the Division of Public and Behavioral Health indicates that the offender does not require the level of security provided by a forensic facility, a prosecuting attorney's request for a hearing on whether the offender should be committed to the custody of the Division must be dismissed. The bill also removes the requirement that a court find by clear and convincing evidence that a person no longer has a mental disorder to be eligible for discharge from conditional release. The bill is effective upon passage and approval.

Roll call on Senate Bill No. 54:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 54 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 59.

Bill read third time.

Remarks by Assemblyman Trowbridge.

ASSEMBLYMAN TROWBRIDGE:

Senate Bill 59 requires the Secretary of State to establish common business registration information that is used by state and local agencies and health districts and to cause the state business portal to make that information available to these same entities that conduct necessary

transactions with businesses in the state. It also allows these entities, to the extent practicable, to integrate their electronic application systems with the state business portal; to use the portal to accept and disseminate information necessary for the issuance of business licenses, registrations, permits, or similar authorizations; to make related applications available on the Internet; and to integrate those applications with the business portal. The bill clarifies that any information that is deemed confidential under state or federal law need not be disseminated and, similarly, that records and files collected as common business registration information are confidential unless an exception applies. It also does all kinds of really good stuff that will become effective on July 1, 2015.

Roll call on Senate Bill No. 59:

YEAS—40.

NAYS—Shelton.

EXCUSED—Kimer.

Senate Bill No. 59 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 129.

Bill read third time.

Remarks by Assemblyman Jones.

ASSEMBLYMAN JONES:

Senate Bill 129 provides immunity from civil liability to a sponsor, veterinarian, equine professional, or any other person for the injury or death of a participant resulting from risks inherent in certain equine activities. The bill also specifies both the behavior necessary on the part of a participant in an equine activity and instances in which a sponsor or other equine professional is not immune from civil liability, including if a person fails to act responsibly while conducting an equine activity or maintaining an equine.

Roll call on Senate Bill No. 129:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 129 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 138.

Bill read third time.

Remarks by Assemblyman O'Neill.

ASSEMBLYMAN O'NEILL:

Senate Bill 138 provides that each law enforcement agency in the state must report annually to the Attorney General specific information about each seizure and forfeiture it conducts. The Office of the Attorney General is to develop standardized forms for law enforcement agencies to use for the reports and is to make the reports available on its website by April 1 of each year along with an aggregate report of all forfeitures in the state.

The measure requires a plaintiff to file a complaint for forfeiture within 120 days after property has been seized if the property was seized without process. In addition, the forfeiture of property seized by a law enforcement agency is prohibited under certain circumstances. If a criminal trial is pending, an order staying a proceeding for forfeiture remains in effect until the completion of the criminal trial. Seized property is required to be returned within seven business days under certain circumstances.

Lastly, if a court accepts a plea or a stipulated agreement is reached between the claimant and the plaintiff to forfeit property, the court must order the forfeiture.

Roll call on Senate Bill No. 138:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 138 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 162.

Bill read third time.

Remarks by Assemblyman Nelson.

ASSEMBLYMAN NELSON:

Senate Bill 162 repeals current Nevada law governing the provision of medical records by a claimant or a claimant's attorney upon the request of an insurer or other party who is the subject of a personal injury claim brought under a policy of motor vehicle insurance covering a passenger car.

This has been a negotiated deal in both houses, and I would request that everyone vote for it.

Roll call on Senate Bill No. 162:

YEAS—23.

NAYS—Elliot Anderson, Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Carrillo, Diaz, Flores, Joiner, Kirkpatrick, Munford, Neal, Ohrenschall, Shelton, Spiegel, Sprinkle, Swank, Thompson—18.

EXCUSED—Kimer.

Senate Bill No. 162 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 168.

Bill read third time.

Remarks by Assemblymen Silberkraus, Kirkpatrick, Fiore, and Seaman.

ASSEMBLYMAN SILBERKRAUS:

Senate Bill 168 authorizes a local government to reopen a collective bargaining agreement during a fiscal emergency and sets forth the circumstances under which such an emergency shall be deemed to exist. Negotiations must begin no later than 21 days after the local government employer notifies the employee organization that a fiscal emergency exists. The bill provides, for certain funds of any local government other than a school district, that a budgeted ending fund balance of not more than 25 percent of the total budgeted expenditures for a general fund, less capital outlay, is not subject to negotiation and cannot be considered by a fact finder or arbitrator in determining ability to pay compensation or monetary benefits. This bill is effective upon passage and approval.

ASSEMBLYWOMAN KIRKPATRICK:

I have been in this building a really long time and every single time, public employees are asked to come to the table to make changes to things in order to make this building—which truly is not even affected by the job they do—run better. They have been at the table in 2009, they have been at the table in 2011, they have been at the table this time, and guess what? They have been at the table back home while the rest of us are sitting in this room and asking them to do this.

My point is, 25 percent of the ending fund balance was addressed in Assembly Bill 54 which was heard and passed on the Senate side. It addressed when we should open up contracts and how

that works. We have addressed how we reopen contracts since 2009 and here, once again, it is never enough. It is not good enough. But to exempt one group from the 25 percent ending fund balance? I do not know how we do that, especially in this building. We all sit here and each and every one of you remind me that local government employees get paid too much, local government employees have too much, but when it comes to bills to make sure that local governments pay their fair share on sales tax, I get pushback. When it comes to making sure that local governments play fair, I get pushback for trying to do that. At the same time, we are hindering them while giving them all the money and the home rule, which we have passed for the first time in 30 years in this building, and yet it is not enough for them.

I do not understand how any one of us can single out one group and think they are better than anybody else when it comes to an ending fund balance. I get opening contracts. Many of our public employees have been doing that for a really long time, but at what point is it too much? The local government finance board are the people who really know what monies they have. That is their responsibility. We, the Legislature, give these independent people who are all about local government the ability to do that, yet we will not let them do their job.

What I say to this body is, Let us start getting rid of this stuff in statute. If we want to put a law in place and we do not want all these quasi-public agencies to do the work that we allow them to do because they are better at it, get rid of them. I will put in a bill tomorrow as an emergency measure that gets rid of 2,168 quasi-public agencies so we can do our job because we are not letting them do it. I have a problem—I offered an amendment in committee; it was not even considered. Yet here we are allowing one group to be out and one group to do something different.

For my folks who live in the rural counties, guess what? You are going to be back here next session fixing this because your people are never ever going to get a raise. They are never ever going to get better benefits because you are limiting them to 25 percent. I can speak to this because I live in the city of North Las Vegas, which was in financial trouble because people kept moving dollars around. I agreed to work with the Department of Taxation to fix that issue. I get it. But this was not discussed. It was a very short hearing on a day when we were told only five questions and we are moving on.

This is going to have long-term effects, and I will not support anything that is not good policy. For all of you in the rural counties, 25 percent—just wait until you cannot recruit employees, just like the state cannot recruit. Do you know why? Because we keep taking everything away from folks because we do not want to pay them and we do not want them to have benefits. At the same time, here are the ramifications. I will say it for the 150th time: We pay for them. The state pays for them. Do you know why? We pay for them on Medicaid, we pay for them on social services, and we pay for them on food stamps. So if we cannot agree to let people have a decent wage with fair benefits, then the state should do its part and live up to it. I rise in opposition, and I encourage each and every one of you to think about what you are doing today.

ASSEMBLYWOMAN FIORE:

I have a question for the Assemblywoman from District 1. Is this not a kumbaya bill?

ASSEMBLYWOMAN KIRKPATRICK:

This is not a kumbaya bill in my words.

ASSEMBLYWOMAN FIORE:

I suggest we oppose it until this whole body gets together and figures it out. So I stand in opposition with the Assemblywoman from District 1 and I urge my colleagues to oppose it as well.

ASSEMBLYWOMAN SEAMAN:

I rise in support of Senate Bill 168, and I would like to remind this body that this bill is for a fiscal emergency. Over the last few years, our local government revenues have been declining and some were not able to meet their obligations. With this bill, local governments will have a better opportunity to avoid layoffs and continue a balanced budgeting approach for our shared constituents. I urge each and every one of you to support Senate Bill 168 and remind you, once again, that this bill is for a fiscal emergency.

Roll call on Senate Bill No. 168:

YEAS—20.

NAYS—Elliot Anderson, Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Carrillo, Diaz, Ellison, Fiore, Flores, Joiner, Kirkpatrick, Moore, Munford, Neal, Ohrenschall, Silberkraus, Spiegel, Sprinkle, Swank, Thompson—21.

EXCUSED—Kimer.

Senate Bill No. 168 having failed to receive a constitutional majority, Mr. Speaker declared it lost.

Senate Bill No. 174.

Bill read third time.

Remarks by Assemblyman Nelson.

ASSEMBLYMAN NELSON:

Senate Bill 174 excludes a person, other than one appointed by a declarant, from being a candidate for or a member of the executive board of a unit-owners' association if the person resides with, is married to, is a domestic partner of, or is related within the third degree of consanguinity to a board member or the person stands to gain any personal profit or compensation from a matter before the board.

The exclusions do not apply to a candidate for the executive board or a person who owns 75 percent or more of the units in an association so long as doing so will not mean that two persons who meet any of the conditions described above and who serve on a board together will constitute a majority of the board membership.

Lastly, this bill provides that if a person is not eligible to be a candidate for or member of the executive board or an officer of an association, the association must not place the person's name on the ballot and must prohibit such a person from serving as a member of the executive board or an officer of the association.

Roll call on Senate Bill No. 174:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 174 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 176.

Bill read third time.

Remarks by Assemblyman O'Neill.

ASSEMBLYMAN O'NEILL:

Senate Bill 176 repeals provisions authorizing a sheriff to issue a permit for the manufacture or sale of switchblade knives. The bill also removes integrated belt buckles and switchblade knives from the list of weapons that may not legally be manufactured, imported, sold, given, lent, or possessed in Nevada. Additionally, Senate Bill 176 removes dirks, daggers, and integrated belt buckle knives from the list of weapons that may not be carried in a concealed manner without a permit.

The bill also adds pneumatic guns, such as certain pellet guns and paintball guns, to the list of weapons that are prohibited on the property of the Nevada System of Higher Education, a public or private school, a child care facility, or in a vehicle of a school or child care facility. Finally, the bill prohibits carrying a concealed pneumatic gun.

Roll call on Senate Bill No. 176:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 176 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 192.

Bill read third time.

Remarks by Assemblyman O'Neill.

ASSEMBLYMAN O'NEILL:

Senate Bill 192 provides that sexual conduct between certain employees of a school or volunteers at a school and a pupil or sexual conduct between certain employees of a college or university and a student constitute sex offenses. A person guilty of such an offense is required to register as a sex offender and is subject to certain conditions regarding parole and probation; is required to undergo a psychosexual evaluation as part of a presentence investigation; is required to undergo lifetime supervision; is prohibited from having his or her records sealed; and is guilty of a category C felony for engaging in sexual conduct with a person 16 years of age or older who has not received a high school diploma, a general educational development certificate, or equivalent document and who is enrolled in or attending the school, college, or university at which the person is employed or volunteering. The bill adds these offenses to the list of those for which the Department of Corrections must conduct a risk to reoffend assessment, which the State Board of Parole Commissioners must take into account before granting or revoking parole. Finally, the bill clarifies that these provisions must not be construed to apply to sexual conduct between two students.

Roll call on Senate Bill No. 192:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 192 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 197.

Bill read third time.

Remarks by Assemblyman Nelson.

ASSEMBLYMAN NELSON:

Senate Bill 197 prohibits the filing, registering, or recording of a fraudulent lien or other encumbrance against the property of a public officer, candidate for public office, mediator, public employee, or participant in an official proceeding or a member of the person's immediate family and provides that any such lien filed against the real or personal property of any of the persons listed above is invalid.

A person committing such a crime is guilty of a category B felony, with enhanced penalties for a second or subsequent offense or for an offense that constitutes part of a pattern of such offenses. A victim may also bring civil action against the perpetrator for damages suffered, attorney fees, and costs.

Roll call on Senate Bill No. 197:

YEAS—28.

NAYS—Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Carrillo, Diaz, Flores, Joiner, Kirkpatrick, Neal, Ohrenschall, Shelton, Swank—13.

EXCUSED—Kimer.

Senate Bill No. 197 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 240.

Bill read third time.

Remarks by Assemblymen Nelson, Elliot Anderson, and Benitez-Thompson.

ASSEMBLYMAN NELSON:

Senate Bill 240 imposes a time limit of five business days for a court to transmit to the Central Repository for Nevada Records of Criminal History an order, judgment, plea, or verdict concerning the involuntary admission to a mental health facility, the appointment of a guardian for a person with a mental defect, a finding that a person is incompetent to stand trial, a verdict acquitting a defendant by reason of insanity, or a plea or finding of guilty but mentally ill.

The bill also requires criminal justice agencies to submit information relating to records of criminal history within 60 days after conviction and authorizes the Central Repository to take reasonable steps to ensure the information reported in the record is included in the National Crime Information Center database maintained by the Federal Bureau of Investigation. The measure also adds to the definition of persons prohibited from possessing a firearm those who have entered a plea of guilty but mentally ill, been found guilty but mentally ill, or been acquitted by reason of insanity.

If a patient communicates a threat of imminent serious physical harm or death to a mental health professional and the mental health professional believes that the patient has the intent and ability to carry out the threat, the mental health professional must apply for the emergency admission of the patient to a mental health facility or make a reasonable effort to notify the person who was threatened and the closest law enforcement agency or, if the patient is a minor, a parent or guardian.

Lastly, this bill provides that an ordinance or regulation that is inconsistent with the Legislature's rights and powers is null and void and must be repealed. A person who is adversely affected by such an ordinance or regulation, on or after the effective date of this bill, may file suit in the appropriate court for declarative and injunctive relief and damages.

ASSEMBLYMAN ELLIOT ANDERSON:

I rise in opposition Senate Bill 240. I voted for this in committee, but there is a conceptual amendment which I do not like. We can reserve our right to change our vote. The reason I am changing is because I do not think it is appropriate to allow an organization to sue the county for damages when injunctive relief would be much more appropriate if there is an ordinance that is affecting people in the state. In addition, it would be much more appropriate for the Attorney General to sue the local governments to enjoin enforcement of an ordinance in violation of our law. I have never seen allowing an outside organization to sue for damages based upon an ordinance before. I think it is a big expansion that I am not comfortable with. For those reasons, I urge this measure to be defeated.

ASSEMBLYWOMAN BENITEZ-THOMPSON:

I rise in opposition to Senate Bill 240 specifically because it is in contrast with another bill that we passed in Health and Human Services in which we wanted to maintain very good public policy around who would be able to commit a person to be held against their will for 72 hours. We said it should only be people who are licensed in this state and who are familiar with our L2K [Legal 2000] practices. This bill allows for professions outside of the state, if they are in the state, to initiate that process. That is in section 19. That absolutely should not be allowed. It is also adding drug and alcohol counselors to that list of people who can commit. Once again, we have had some pretty healthy public policy conversations about who can begin this process and do an involuntary hold. Once again, I think there has been the thought that expanding that scope is not the direction we want to go as a body. In particular, drug and alcohol counselors who do not have the ability to initiate a legal hold should not, without really good conversation, be given that ability.

Roll call on Senate Bill No. 240:

YEAS—23.

NAYS—Elliot Anderson, Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Carrillo, Diaz, Flores, Joiner, Jones, Kirkpatrick, Munford, Neal, Ohrenschall, Spiegel, Sprinkle, Swank, Thompson—18.

EXCUSED—Kimer.

Senate Bill No. 240 having received a constitutional majority, Mr. Speaker declared it passed, as amended.

Bill ordered transmitted to the Senate.

Senate Bill No. 241.

Bill read third time.

Remarks by Assemblywoman Kirkpatrick.

ASSEMBLYWOMAN KIRKPATRICK:

I rise in support of Senate Bill 241, which makes various changes relating to collective bargaining. Among them, it excludes a school administrator whose annual salary, adjusted for inflation, is greater than \$120,000 from membership in any bargaining unit; authorizes, under certain circumstances, a local government employer to provide paid leave to an employee for time spent in providing services to an employee organization; reduces from 180 days to 45 days the amount of time within which the Local Government Employee-Management Relations Board must conduct a hearing relating to certain complaints; and provides that a collective bargaining agreement between a local government employer and a recognized employee organization expires for certain purposes at the end of the term stated in the agreement. It also provides that upon the end of the term stated in a collective bargaining agreement and until a successor agreement becomes effective, a local government employer shall not, with limited exceptions, increase any compensation or monetary benefits paid to or on behalf of employees in the affected bargaining unit. It also revises various provisions relating to negotiations between a school district and an employee organization representing teachers or educational support personnel and provides that a principal is employed at will during the first three years of employment by a school district.

I rise in support of this bill because here, once again, our public employees are at the table because we, the Legislature, believe there is a problem. I think these are reasonable changes. This prevents us from having to have any other bills to address financial emergencies because it says right here that you now have to bargain within a shorter time frame. This says that you are employed at will and you have to have the reforms that everyone in this building is talking about. I would encourage this body to support this because when we make reasonable reforms, we start at the beginning of session talking amongst folks, talking to workers. We can make reforms that will make a difference. I believe in this body, and I encourage support.

Roll call on Senate Bill No. 241:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 241 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 245.

Bill read third time.

Remarks by Assemblymen Nelson, Elliot Anderson, Jones, Ohrenschall, Seaman, and O'Neill.

ASSEMBLYMAN NELSON:

Senate Bill 245 increases from 15 years to 20 years the maximum term of imprisonment for a person who leaves the scene of an accident that results in bodily injury to or the death of a person.

A person charged with a hit-and-run is not eligible for probation and may be charged with multiple counts if more than one person involved in the accident is injured or dies. Finally, a person charged under the driving under the influence statute and any of the three statutes that impose a duty to stop at the scene of an accident may not use as an affirmative defense that the reason the person's blood alcohol level exceeded the legal level was because he or she consumed alcohol after the incident. This bill is effective on October 1, 2015.

This bill removes the incentive to drive away from an accident if you caused it so that you can wait long enough for the blood alcohol to dissipate.

ASSEMBLYMAN ELLIOT ANDERSON:

Regretfully, I rise in opposition to Senate Bill 245. This is a very well-meaning bill. The intent is shared by many, but logically it is not intellectually consistent. The whole premise of the bill is that the district attorney cannot prove the next day that people have been driving while intoxicated. How do we know that everyone who leaves the scene of an accident is DUI [driving under the influence] and should be punished with the DUI penalty? That is my first issue with the bill.

Second, it does not define what bodily injury is. The way I read this, it is any injury. If you got whiplash, you could also be included. Furthermore, we saw some amendments in your Committee on Judiciary to tighten this up a bit. What we suggested is if you have had one DUI within the past seven years, then this new penalty would apply. Right now, it does not just apply to people who leave the scene of an accident and who are drunk—it applies to anyone. If you are a scared 17-year-old kid and you hit someone and you leave, it would apply to you as well. A kid that makes a mistake is not guilty of a DUI and should not be punished that way.

In addition, the penalty is already a category B felony under the current law. What we are really doing is taking away the discretion of the judge for situations that we cannot possibly contemplate. It is not appropriate for us to invade the province of the court when we cannot possibly consider every single situation that could happen down the line. This bill is too broad and should either be amended or defeated.

ASSEMBLYMAN JONES:

I rise in support of this bill. As a matter of public policy, we cannot encourage people to do the wrong thing. This is a loophole where people can leave the scene of an accident after bodily injuries occurred and they are incentivized to do the wrong thing. With this bill, people will be incentivized to do the right thing, which is to stay at the scene of an accident. We are well aware of instances where flagmen have been hit and killed on the side of the road while they are doing their duty for the state and the driver just drives off. Of course, when you wait until the next day, the alcohol is out of your system and you cannot be held liable. If you are required to stay at the scene of the accident—now crash instead of accident—then you will do the right thing because you know the consequence is worse to not do the right thing.

ASSEMBLYMAN OHRENSCHALL:

I rise in reluctant opposition to S.B. 245. I agree with my colleague from Assembly District 15: this is a well-meaning bill. There were some amendments discussed in the Committee on Judiciary which could have led to my support. I could have supported increasing the category B felony to a 2 to 20. I could have supported keeping the non-probation ability of the offense for people who had at least one prior DUI in the last ten years so that we would know if this person had driven under the influence before.

I want to talk about the current law. The current law imposes a category B felony for leaving the scene of an accident where there is bodily harm. It does not say substantial bodily harm, just any kind of bodily harm. As my colleague from southern Nevada pointed out, that could be whiplash. It does not mean something that sends someone in for surgery. The current penalty for a category B felony is a 1 to 15. Category B felonies are reserved for some of our most violent crimes: robbery, battery, substantial bodily harm. The only difference is that now a district court judge at sentencing would be able to read the presentence investigation report and find out the kind of history the person has had. Have they been in trouble with the law before? Have they not been in trouble? They can decide if they are going to give the person a chance at probation and see how they do with the threat of prison hanging over their head or if they are going to send them straight to prison.

This bill will tie our judges' hands at sentencing. There will not be any discretion for the judge to read a presentence investigation report and decide whether this person deserves to go to prison or to get probation. Under this bill, they are mandatorily going to have to serve 24 months at the Nevada Department of Corrections. Here are some examples of how this bill might work. You might have an 18-year-old who gets into an accident, freaks out, has some kind of panic attack, drives down the street to the 7-Eleven, and calls their parents. The parents say to go back. Even though they go back within the hour or half hour, they could be charged with this category B felony. The district judge's hands would be tied and that young person, who returned to the scene to turn themselves in, would be subject to a mandatory 24 months at one of our Nevada Department of Corrections facilities.

I think we have learned through the last several decades that taking discretion away from our judges is a poor, poor choice. We elect our judges in Nevada and we have a fine judiciary. They know when to send someone to prison and when to give them probation with the threat of prison hanging over their head. I urge this measure's defeat.

ASSEMBLYMAN SEAMAN:

I rise in support of Senate Bill 245. I want to answer the question of my colleague in District 15. You are right. We do not know if they have a DUI, but if they would stay and be accountable, we would know. I do not know when we stopped thinking about the accountability of someone who leaves the scene of an accident, but as a victim of a hit-and-run, I know how traumatizing the experience can be. The accident is bad enough and then you are left wanting justice. To the extent that we can end hit-and-runs, we should. I will be voting yes for this important bill and I encourage all of you to do the same.

ASSEMBLYMAN O'NEILL:

Although I was not able to give the introduction to this bill, I stand in support. I want to respectfully submit this to the Assembly. I find it rather interesting that two attorneys from the opposing party stand before you and talk about how we should give a "get home free" card, that the person first has to be convicted of one crime before they can be held accountable for another crime. Show me one other crime where that has ever occurred. Period. It is ridiculous to me.

Second, we talk about how the judge is held binding. What they forget to tell us all is that first the district attorney's office has to prove beyond a reasonable doubt that the person who was charged with this crime was found guilty. Then the judge administers the punishment. Ninety-plus percent of all crimes in this state are actually pled out. Just because the person is charged does not mean that is what they are going to be found guilty of.

This is a reasonable charge. The person has caused injury, damage to another human being, and left the scene. If they come back within 30 minutes, there will be prime evidence, reasonable evidence, whether they were or were not intoxicated. Leaving the scene and coming back the next day allows them to be arrested and to be held accountable and that is what I think we are here for. That is what we are trying to do: hold people accountable for their actions and not make excuses for them. I stand in support and ask the rest of you to stand in support of this bill.

Assemblymen Oscarson, Wheeler, and Silberkraus moved the previous question.

The question being the passage of Senate Bill No. 245.

Roll call on Senate Bill No. 245:

YEAS—29.

NAYS—Elliot Anderson, Araujo, Benitez-Thompson, Bustamante Adams, Carlton, Diaz, Flores, Joiner, Munford, Ohrenschall, Swank, Thompson—12.

EXCUSED—Kimer.

Senate Bill No. 245 having received a constitutional majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

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

Assembly in recess at 8:11 p.m.

ASSEMBLY IN SESSION

At 9:12 p.m.

Mr. Speaker presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. Speaker:

Your Committee on Judiciary, to which was referred Senate Bill No. 134, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 154, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 161, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 443, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 445, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 160, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 239, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 262, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 304, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

Also, your Committee on Judiciary, to which was referred Senate Bill No. 447, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

IRA HANSEN, *Chair*

Mr. Speaker:

Your Committee on Taxation, to which was referred Senate Bill No. 411, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DEREK ARMSTRONG, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Silberkraus moved that the Assembly reconsider the action whereby Senate Bill No. 168 was refused passage.

Motion carried.

Assemblyman Silberkraus moved that Senate Bill No. 168 be taken from the General File and placed on the Chief Clerk's desk.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 482 be taken from the Chief Clerk's desk and placed at the top of the General File.

Motion carried.

Assemblyman Paul Anderson moved that Senate Bill No. 306 be taken from its position on the General File and placed at the top of the General File.

Motion carried.

WAIVER OF JOINT STANDING RULES

A Waiver requested by Senator Roberson.

For: Assembly Bill No. 252.

To Waive:

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: May 21, 2015.

SENATOR MICHAEL ROBERSON
Senate Majority Leader

ASSEMBLYMAN JOHN HAMBRICK
Speaker of the Assembly

A Waiver requested by Senator Roberson.

For: Assembly Bill No. 460.

To Waive:

Subsection 4 of Joint Standing Rule No. 14.3 (out of 2nd house by 110th day).

Has been granted effective: May 21, 2015.

SENATOR MICHAEL ROBERSON
Senate Majority Leader

ASSEMBLYMAN JOHN HAMBRICK
Speaker of the Assembly

GENERAL FILE AND THIRD READING

Senate Bill No. 306.

Bill read third time.

Remarks by Assemblymen Trowbridge and Elliot Anderson.

ASSEMBLYMAN TROWBRIDGE:

Senate Bill 306 allows collection costs to be included within the scope of a unit-owners' association's super-priority lien but limits allowable collection costs. The bill also clarifies that if a subordinate lienholder makes a payment to an association, the payment becomes a debt owed by the unit owner to the lienholder. A notice of default and election to sell must include an itemized statement of the amounts due that must be mailed to each holder of a recorded security interest. An association is required to record an affidavit containing the name and address of each security holder to whom the notice of default was mailed, and notices must be sent by certified or registered mail to each holder of a recorded security interest. This bill is effective on October 1, 2015.

ASSEMBLYMAN ELLIOT ANDERSON:

I rise in support of Senate Bill 306. This is an important step forward for the super-priority issue. It is not perfect, but very few things in the Nevada Legislature are. I urge the body to support this measure because it will bring some important protections in the super-priority realm.

Roll call on Senate Bill No. 306:

YEAS—41.

NAYS—None.

EXCUSED—Kimer.

Senate Bill No. 306 having received a two-thirds majority, Mr. Speaker declared it passed.

Bill ordered transmitted to the Senate.

Senate Bill No. 482.

Bill read third time.

The following amendment was proposed by Assemblyman Ellison:

Amendment No. 930.

~~[[CONTAINS UNFUNDED MANDATE (§ 1)
(NOT REQUESTED BY AFFECTED LOCAL GOVERNMENT)]]~~

AN ACT relating to public officers; increasing the compensation of elected county officers ~~[[~~ **except in certain circumstances;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth the annual compensation to be paid to district attorneys, sheriffs, county clerks, county assessors, county recorders, county treasurers and public administrators. (NRS 245.043) This bill increases the annual compensation for those officers by 3 percent each fiscal year for Fiscal Years 2015-2016, 2016-2017, 2017-2018 and 2018-2019 ~~[[~~ **, unless the board of county commissioners determines that sufficient financial resources are not available to pay the increased salaries.**

Existing law authorizes each board of county commissioners, by a majority vote of all the members of the board to set the members' annual salary within certain statutory limitations. (NRS 245.043) This bill: (1) eliminates this authority; and (2) sets forth the salaries for members for Fiscal Years 2015-2016, 2016-2017, 2017-2018 and 2018-2019. The salaries are increased by 3 percent in each fiscal year ~~[[~~ **, unless the board of county commissioners determines that sufficient financial resources are not available to pay the increased salaries.**

This bill also authorizes an elected officer, including a county commissioner, to elect not to receive any part of the salary to which he or she is entitled.

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

Section 1. NRS 245.043 is hereby amended to read as follows:

245.043 1. As used in this section:

(a) "County" includes Carson City.

(b) "County commissioner" includes the Mayor and supervisors of Carson City.

2. Except as otherwise provided **in subsection 5 and** by any special law, the elected officers of the counties of this State are entitled to receive, for the appropriate fiscal year, annual salaries in the base amounts specified in the following table ~~[[~~ **commencing on July 1 of the fiscal year.** The annual salaries are in full payment for all services required by law to be performed by

such officers. Except as otherwise provided by law, all fees and commissions collected by such officers in the performance of their duties must be paid into the county treasury each month without deduction of any nature.

ANNUAL SALARIES

Class	County	District Attorney	Sheriff	County Clerk	County Assessor	County Recorder	County Treasurer	Public Administrator
1	Clark							
	FY 2007-2008	\$166,647	\$143,661	\$97,518	\$97,518	\$97,518	\$97,518	\$97,518
	FY 2008-2009	171,647	147,971	100,443	100,443	100,443	100,443	100,443
	FY 2009-2010	176,796	152,410	103,456	103,456	103,456	103,456	103,456
	FY 2010-2011	182,100	156,983	106,560	106,560	106,560	106,560	106,560
	FY 2015-2016	\$187,563	\$161,692	\$109,757	\$109,757	\$109,757	\$109,757	\$109,757
	FY 2016-2017	193,190	166,543	113,050	113,050	113,050	113,050	113,050
	FY 2017-2018	198,986	171,540	116,441	116,441	116,441	116,441	116,441
	FY 2018-2019	204,955	176,685	119,934	119,934	119,934	119,934	119,934
2	Washoe							
	FY 2007-2008	147,109	118,376	89,391	89,391	89,391	89,391	89,391
	FY 2008-2009	151,522	121,928	92,073	92,073	92,073	92,073	92,073
	FY 2009-2010	156,068	125,585	94,835	94,835	94,835	94,835	94,835
	FY 2010-2011	160,750	129,353	97,680	97,680	97,680	97,680	97,680
	FY 2015-2016	165,573	133,234	100,610	100,610	100,610	100,610	100,610
	FY 2016-2017	170,540	137,231	103,629	103,629	103,629	103,629	103,629
	FY 2017-2018	175,656	141,348	106,738	106,738	106,738	106,738	106,738
	FY 2018-2019	180,926	145,588	109,940	109,940	109,940	109,940	109,940
3	Carson City							
	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	
	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	
	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	
	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----
	Churchill							
	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	
	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	
	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	
	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----
	Douglas							
	FY 2007-2008	\$105,616	\$87,575	\$69,563	\$69,563	\$69,563	\$69,563	
	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	
	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	
	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----
	Elko							

[	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	-----
-----	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	-----
-----	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	-----
-----	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	-----]
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----

Humboldt

[	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	-----
-----	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	-----
-----	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	-----
-----	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	-----]
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----

Lyon

[	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	-----
-----	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	-----
-----	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	-----
-----	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	-----]
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----

Nye

[	FY 2007-2008	105,616	87,575	69,563	69,563	69,563	69,563	-----
-----	FY 2008-2009	108,785	90,202	71,650	71,650	71,650	71,650	-----
-----	FY 2009-2010	112,049	92,909	73,799	73,799	73,799	73,799	-----
-----	FY 2010-2011	115,410	95,696	76,013	76,013	76,013	76,013	-----]
	FY 2015-2016	118,872	98,567	78,293	78,293	78,293	78,293	-----
	FY 2016-2017	122,438	101,524	80,642	80,642	80,642	80,642	-----
	FY 2017-2018	126,112	104,570	83,061	83,061	83,061	83,061	-----
	FY 2018-2019	129,895	107,707	85,553	85,553	85,553	85,553	-----

4 Lander

[	FY 2007-2008	99,749	78,818	58,023	58,023	58,023	58,023	-----
-----	FY 2008-2009	102,741	81,183	59,764	59,764	59,764	59,764	-----
-----	FY 2009-2010	105,823	83,618	61,556	61,556	61,556	61,556	-----
-----	FY 2010-2011	108,998	86,127	63,403	63,403	63,403	63,403	-----]
	FY 2015-2016	\$112,268	\$88,711	\$65,305	\$65,305	\$65,305	\$65,305	-----
	FY 2016-2017	115,636	91,372	67,264	67,264	67,264	67,264	-----
	FY 2017-2018	119,105	94,113	69,282	69,282	69,282	69,282	-----
	FY 2018-2019	122,678	96,937	71,361	71,361	71,361	71,361	-----

Storey

[	FY 2007-2008	99,749	78,818	58,023	58,023	58,023	58,023	-----
-----	FY 2008-2009	102,741	81,183	59,764	59,764	59,764	59,764	-----
-----	FY 2009-2010	105,823	83,618	61,556	61,556	61,556	61,556	-----
-----	FY 2010-2011	108,998	86,127	63,403	63,403	63,403	63,403	-----]
	FY 2015-2016	112,268	88,711	65,305	65,305	65,305	65,305	-----
	FY 2016-2017	115,636	91,372	67,264	67,264	67,264	67,264	-----
	FY 2017-2018	119,105	94,113	69,282	69,282	69,282	69,282	-----
	FY 2018-2019	122,678	96,937	71,361	71,361	71,361	71,361	-----

White Pine

[	FY 2007-2008	99,749	78,818	58,023	58,023	58,023	58,023	-----
-----	FY 2008-2009	102,741	81,183	59,764	59,764	59,764	59,764	-----
-----	FY 2009-2010	105,823	83,618	61,556	61,556	61,556	61,556	-----

	FY 2010-2011	108,998	86,127	63,403	63,403	63,403	63,403	}
	FY 2015-2016	112,268	88,711	65,305	65,305	65,305	65,305	-----
	FY 2016-2017	115,636	91,372	67,264	67,264	67,264	67,264	-----
	FY 2017-2018	119,105	94,113	69,282	69,282	69,282	69,282	-----
	FY 2018-2019	122,678	96,937	71,361	71,361	71,361	71,361	-----
5	Eureka							
	FY 2007-2008	88,014	63,054	52,009	52,009	52,009	52,009	-----
	FY 2008-2009	90,654	64,946	53,570	53,570	53,570	53,570	-----
	FY 2009-2010	93,374	66,894	55,177	55,177	55,177	55,177	-----
	FY 2010-2011	96,175	68,901	56,832	56,832	56,832	56,832	}
	FY 2015-2016	99,060	70,968	58,537	58,537	58,537	58,537	-----
	FY 2016-2017	102,033	73,097	60,293	60,293	60,293	60,293	-----
	FY 2017-2018	105,093	75,290	62,102	62,102	62,102	62,102	-----
	FY 2018-2019	108,246	77,549	63,965	63,965	63,965	63,965	-----
	Lincoln							
	FY 2007-2008	88,014	63,054	52,009	52,009	52,009	52,009	-----
	FY 2008-2009	90,654	64,946	53,570	53,570	53,570	53,570	-----
	FY 2009-2010	93,374	66,894	55,177	55,177	55,177	55,177	-----
	FY 2010-2011	96,175	68,901	56,832	56,832	56,832	56,832	}
	FY 2015-2016	99,060	70,968	58,537	58,537	58,537	58,537	-----
	FY 2016-2017	102,033	73,097	60,293	60,293	60,293	60,293	-----
	FY 2017-2018	105,093	75,290	62,102	62,102	62,102	62,102	-----
	FY 2018-2019	108,246	77,549	63,965	63,965	63,965	63,965	-----
	Mineral							
	FY 2007-2008	88,014	63,054	52,009	52,009	52,009	52,009	-----
	FY 2008-2009	90,654	64,946	53,570	53,570	53,570	53,570	-----
	FY 2009-2010	93,374	66,894	55,177	55,177	55,177	55,177	-----
	FY 2010-2011	96,175	68,901	56,832	56,832	56,832	56,832	}
	FY 2015-2016	99,060	70,968	58,537	58,537	58,537	58,537	-----
	FY 2016-2017	102,033	73,097	60,293	60,293	60,293	60,293	-----
	FY 2017-2018	105,093	75,290	62,102	62,102	62,102	62,102	-----
	FY 2018-2019	108,246	77,549	63,965	63,965	63,965	63,965	-----
	Pershing							
	FY 2007-2008	\$88,014	\$63,054	\$52,009	\$52,009	\$52,009	\$52,009	-----
	FY 2008-2009	90,654	64,946	53,570	53,570	53,570	53,570	-----
	FY 2009-2010	93,374	66,894	55,177	55,177	55,177	55,177	-----
	FY 2010-2011	96,175	68,901	56,832	56,832	56,832	56,832	}
	FY 2015-2016	99,060	70,968	58,537	58,537	58,537	58,537	-----
	FY 2016-2017	102,033	73,097	60,293	60,293	60,293	60,293	-----
	FY 2017-2018	105,093	75,290	62,102	62,102	62,102	62,102	-----
	FY 2018-2019	108,246	77,549	63,965	63,965	63,965	63,965	-----
6	Esmeralda							
	FY 2007-2008	69,886	56,049	45,508	45,508	45,508		-----
	FY 2008-2009	71,983	57,730	46,873	46,873	46,873		-----
	FY 2009-2010	74,142	59,462	48,280	48,280	48,280		-----
	FY 2010-2011	76,366	61,246	49,728	49,728	49,728		}
	FY 2015-2016	78,657	63,083	51,220	51,220	51,220	-----	-----
	FY 2016-2017	81,017	64,976	52,756	52,756	52,756	-----	-----
	FY 2017-2018	83,447	66,926	54,339	54,339	54,339	-----	-----
	FY 2018-2019	85,951	68,933	55,969	55,969	55,969	-----	-----

↪ **The annual salaries set forth in this subsection for Fiscal Year 2018-2019 are effective for that fiscal year and each fiscal year thereafter.**

3. [A board of county commissioners may, by a vote of at least a majority of all the members of the board, set the ~~The~~ **Except as otherwise provided in subsection 5, the** annual salary for ~~the~~ county commissioners ~~of that county,~~

~~but in no event may the annual salary exceed an amount which equals:~~
commencing on July 1 of the fiscal year is:

- (a) For Fiscal Year ~~{2007-2008, 131.716}~~ **2015-2016, 103.00** percent;
- (b) For Fiscal Year ~~{2008-2009, 136.985}~~ **2016-2017, 106.09** percent;
- (c) For Fiscal Year ~~{2009-2010, 142.464}~~ **2017-2018, 109.273** percent; and
- (d) For Fiscal Year ~~{2010-2011, 148.163}~~ **2018-2019 ~~111~~ and each fiscal year thereafter, 112.551** percent,

➔ of the amount of the annual salary for the county commissioners of that county that was in effect ~~{by operation of statute}~~ on January 1, ~~{2003.}~~ **2015.**

4. Any elected officer or county commissioner who is entitled to a salary pursuant to subsection 2 or 3 may elect not to receive any part of the salary to which he or she is entitled pursuant to subsection 2 or 3, as applicable.

5. The increased annual salaries for all elected county officers provided for in subsections 2 and 3 for a fiscal year must not be paid in that fiscal year if the board of county commissioners determines that sufficient financial resources are not available to pay the increased annual salaries in that fiscal year and the annual salaries provided for those officers in the immediately preceding fiscal year must continue to be paid. If increased annual salaries are paid in a subsequent fiscal year:

(a) Those increased annual salaries must be in the amounts provided for in subsections 2 and 3 for that subsequent fiscal year.

(b) An elected county officer is not entitled to any retroactive payment of the salary increase for any previous fiscal year in which increased annual salaries were not paid.

**Sec. 2. ~~{The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.}~~
(Deleted by amendment.)**

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

Assemblyman Ellison moved the adoption of the amendment.

Remarks by Assemblyman Ellison.

ASSEMBLYMAN ELLISON:

The amendment gives the county board of commissioners the option not to approve the salary increases for elected officials if the board determines that there are insufficient financial resources available to pay for these increases. A lot of us came together and worked very hard to try and get this bill amended to where it will work for everybody, and I think we have done that. I am pretty happy that we did get this amendment.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

MOTIONS, RESOLUTIONS AND NOTICES

Assemblyman Paul Anderson moved that Senate Bills Nos. 264, 286, 294, 307, 327, 393, 429, 477, 490, 499; Senate Joint Resolution No. 17 be taken from the General File and be placed on the General File for the next legislative day.

Motion carried.

SECOND READING AND AMENDMENT

Senate Bill No. 134.

Bill read second time and ordered to third reading.

Senate Bill No. 154.

Bill read second time and ordered to third reading.

Senate Bill No. 160.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 853.

SUMMARY—Enacts provisions ~~governing the liability of owners, lessees or occupants of any premises for injuries to trespassers.~~ **relating to civil liability for certain acts.** (BDR 3-939)

AN ACT relating to actions concerning persons; enacting certain limitations of liability for owners, lessees or occupants of any premises for injuries to trespassers; providing immunity from certain civil actions for certain persons in connection with the display of public art; **providing that a person who jumps or otherwise removes himself or herself, by parachute or by other airborne means, from a fixed structure owned by another person or who takes certain actions to assist another person in doing so is deemed a trespasser for the purposes of certain provisions relating to trespassers; providing a penalty;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Traditionally, at common law, the duty of care that an owner or other lawful occupant of real property owed to a person entering onto the property was determined by the person's status as an invitee, a licensee or a trespasser. Thus, an owner or occupant of real property had a duty to exercise ordinary care and prudence to render the property reasonably safe for the visit of an invitee or to warn the invitee of certain dangerous or unsafe conditions on the property. An owner or occupant of real property who failed to exercise due care was subject to civil liability for any harm to an invitee caused by that failure. (*Galloway v. McDonalds Restaurants of Nevada, Inc.*, 102 Nev. 534, 537 (1986)) In contrast, an owner or occupant of real property had no duty to a mere trespasser except to not wantonly or willfully injure the trespasser and to exercise due care to prevent injury to the trespasser after the owner or occupant discovered the trespasser's presence in a place of danger on the property. (*Crosman v. Southern Pac. Co.*, 44 Nev. 286, 300 (1921)) In 1994, however, the Nevada Supreme Court abandoned the principle of basing the liability of an owner or occupant of real property on the status of the person injured on the property. The Court adopted instead the principle that the owner or occupier of real property should be held to the general duty of reasonable care whenever another person is injured on that property and that determinations of liability should primarily depend on whether the owner or occupier acted reasonably

under the circumstances. (*Moody v. Manny's Auto Repair*, 110 Nev. 320, 333 (1994))

Section 2 of this bill adopts the principle for determining the duty of care owed by an owner, lessee or occupant of any premises to a trespasser as it was at common law. **Section 2** also codifies in statute what is commonly known as the “attractive nuisance doctrine.” This doctrine imposes a higher standard of care on an owner, lessee or occupant toward a trespassing child who is injured by an artificial condition on the premises if: (1) the owner, lessee or occupant knows or reasonably should know that the condition is likely to attract children and involves an unreasonable risk of death or serious bodily injury; (2) the child is unlikely to appreciate the dangerousness of the condition because of his or her age; (3) the utility of maintaining the condition and eliminating the danger are slight as compared to the risk to the child; and (4) the owner, lessee or occupant fails to exercise reasonable care to eliminate the danger or to otherwise protect the trespassing child.

Section 3 of this bill provides that, subject to certain conditions, a person who creates, sponsors, owns or produces public art or who owns, leases or occupies any estate or interest in any premises where such art is displayed is not liable for the death or injury of a person or for damage to property caused or sustained by a person who: (1) defaces or destroys, or attempts to deface or destroy, public art; (2) uses the public art in an unintended manner; or (3) fails to heed certain posted warnings or instructions concerning the public art. **Section 3** also defines “public art” for such purposes.

Section 3.5 of this bill: (1) provides that a person who jumps or otherwise removes himself or herself, by parachute or by other airborne means, from a fixed structure owned by another person or a person who knowingly delivers or retrieves another person who intends to commit, is committing or has committed such an act is deemed a trespasser for the purposes of section 2 of this bill; and (2) provides that a person who violates a provision of section 3.5 is guilty of a category E felony.

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

Section 1. Chapter 41 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. 1. *Except as otherwise provided in this section, an owner of any estate or interest in any premises, or a lessee or an occupant of any premises, owes no duty of care to a trespasser and is not liable to a trespasser for physical harm caused by the failure to exercise reasonable care to put the premises in a condition that is reasonably safe for the entry or use by a trespasser or to carry on activities on the premises so as not to endanger a trespasser.*

2. *An owner, lessee or occupant of premises may be subject to liability for harm to a trespasser if:*

(a) *The owner, lessee or occupant willfully or wantonly causes harm to the trespasser;*

(b) *The owner, lessee or occupant fails to exercise reasonable care to prevent harm to the trespasser after discovering the trespasser's presence in a place of danger on the premises; or*

(c) *The trespasser is a child who is injured by an artificial condition on the premises and:*

(1) *The place where the condition exists is one on which the owner, lessee or occupant knows or has reason to know that a child is likely to trespass;*

(2) *The condition is one that the owner, lessee or occupant knows or has reason to know and that the owner, lessee or occupant realizes or should realize involves an unreasonable risk of death or serious bodily harm to a trespassing child;*

(3) *The trespassing child, because of his or her youth, does not discover the condition or realize the risk involved in the condition or coming within the area made dangerous by it;*

(4) *The utility to the owner, lessee or occupant of maintaining the condition and the burden of eliminating the danger are slight as compared with the risk to the trespassing child; and*

(5) *The owner, lessee or occupant fails to exercise reasonable care to eliminate the danger or to otherwise protect the trespassing child from harm.*

3. *This section does not affect any immunity from or defenses to civil liability established by specific statute or available at common law to which an owner, lessee or occupant may be entitled.*

4. *As used in this section, "trespasser" means any person who enters or remains upon any premises owned, leased or occupied by another person without the express or implied consent of the owner, lessee or occupant of the premises.*

Sec. 3. 1. *Except as otherwise provided in this section, a person who creates, sponsors, owns or produces public art, or who owns, leases or occupies any estate or interest in any premises where such art is displayed, is not liable for the death or injury of a person or for damage to property caused or sustained by a person who:*

(a) *Defaces or destroys, or attempts to deface or destroy, public art;*

(b) *Uses the public art in an unintended manner; or*

(c) *Fails to heed posted warnings or instructions concerning the public art if such warnings are posted to warn the public against any foreseeable conditions or any misuse of the public art that may pose an unreasonable risk of death or serious bodily injury.*

2. *This section does not eliminate a person's duty to remedy or mitigate a condition that has actually caused two or more instances of serious bodily injury.*

3. *As used in this section, “public art”:*

(a) *Except as otherwise provided in paragraph (b), means a work of art which:*

(1) *Is an original painting in oil, mineral, water colors, vitreous enamel, pastel or other medium, an original mosaic, drawing or sketch, an original sculpture of stone, clay, textiles, fiber, wood, metal, plastic, glass or a similar material, an original work of mixed media or a lithograph;*

(2) *Was purchased in an arm’s length transaction for \$25,000 or more, or has an appraised value of \$25,000 or more;*

(3) *Is displayed in a building or indoor or outdoor premises generally open to the public, whether publicly or privately owned; and*

(4) *Is made available to be viewed by the public without charge; and*

(b) *Does not include:*

(1) *Performance art;*

(2) *Literary works;*

(3) *Property used in the performing arts, including, without limitation, scenery or props for a stage production;*

(4) *A product of filmmaking or photography, including, without limitation, motion pictures; or*

(5) *Property that was created for a functional use other than, or in addition to, its aesthetic qualities, including, without limitation, a classic or custom-built automobile or boat, a sign that advertises a business, and custom or antique furniture, lamps, chandeliers, jewelry, mirrors, doors or windows.*

Sec. 3.5. Chapter 207 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not:

(a) Jump or otherwise remove himself or herself, by parachute or by other airborne means, from a fixed structure owned by another person or any fixture or appurtenance attached thereto; or

(b) Knowingly and intentionally deliver or retrieve another person who intends to commit, is committing or has committed an act specified in paragraph (a).

2. A person who violates any provision of subsection 1:

(a) Shall be deemed to be a trespasser for the purposes of section 2 of this act.

(b) Is guilty of a category E felony and shall be punished as provided in NRS 193.130.

3. This section does not apply to:

(a) An emergency involving public safety or damage to property, loss of life or injury to any person; or

(b) An act committed pursuant to the terms and conditions of a lawfully issued permit.

Sec. 4. This act becomes effective upon passage and approval.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

The amendment provides that a person who jumps with a parachute, wingsuit, or other airborne means from a building owned by someone else is deemed a trespasser. The person who delivers or retrieves the person who has jumped or intends to jump is also deemed a trespasser.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 161.

Bill read second time and ordered to third reading.

Senate Bill No. 239.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 857.

AN ACT relating to real property; authorizing certain persons to file a notice to terminate ~~to a revolving~~ **an equity** line of credit secured by a deed of trust or mortgage; **authorizing certain persons to file a written instruction to suspend and close an equity line of credit secured by a deed of trust or mortgage;** authorizing certain trustees to file a declaration of nonmonetary status under certain circumstances; revising provisions governing an action to declare void a trustee's sale; authorizing a beneficiary to substitute as trustee for the purpose of reconveying a deed of trust; providing that a failure to comply with the provisions of law governing a trustee's sale does not affect the validity of a sale in favor of a bona fide purchaser; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, within 21 days after receiving notice that a debt secured by a mortgage has been paid or otherwise satisfied or discharged, the mortgagee is required to record a discharge of the mortgage. (NRS 106.290) Existing federal law relating to lending practices also specifies certain circumstances under which a lender may reduce or terminate a home equity line of credit ~~. It, otherwise known as "revolving line of credit."~~ (Truth in Lending Act, 12 C.F.R. Part 1026) **Section 1** of this bill authorizes certain persons to provide a written request to terminate ~~to a revolving~~ **an equity** line of credit secured by a deed of trust or mortgage. **Section 1** also requires a lender upon receipt of such notice to: (1) terminate the borrower's right to obtain advances under the ~~revolving~~ **equity** line of credit; (2) apply certain sums paid to the satisfaction of the ~~revolving~~ **equity** line of credit; and (3) record a reconveyance or certificate of discharge of the security instrument when the balance becomes zero. **Section 1 also authorizes certain persons to provide a written instruction from a borrower to suspend and close an equity line of credit secured by a deed of trust or mortgage. Section 1 provides the content of the written instruction and requires a lender upon**

receipt of such an instruction to suspend the equity line of credit for a minimum of 30 days. When the lender is in possession of both the instruction and payment, section 1 requires the lender to: (1) close the equity line of credit; and (2) release or reconvey the property securing the equity line of credit.

Existing law: (1) prescribes certain qualifications and duties of a trustee under a deed of trust; (2) provides for a civil action against a trustee under certain circumstances; and (3) prohibits a beneficiary from reconveying a deed of trust, unless the beneficiary meets certain qualifications to act as a trustee. (NRS 107.028) **Section 2** of this bill: (1) authorizes certain trustees to file a declaration of nonmonetary status if the trustee is named as a party to a civil action under certain circumstances; and (2) authorizes a party to the action to file an objection to a trustee's declaration of nonmonetary status. If no such objection is timely made or if a court does not determine that an objection is valid, the trustee is no longer required to participate in the action and is not subject to any damages ~~or equitable relief~~ or attorney's fees or costs. **Section 3** of this bill authorizes a beneficiary to substitute and act as trustee for the purpose of partially or fully reconveying a deed of trust.

Existing law provides that a sale by the trustee under a deed of trust must be declared void by a court of competent jurisdiction if: (1) the trustee or a person authorized to make the sale does not substantially comply with certain provisions of existing law governing the exercise of the trustee's power of sale; and (2) an action is commenced in the county where the sale took place within 45 days after the date of the sale or, if the notice of default and election to sell or the notice of sale is not provided to certain persons in accordance with existing law, within 60 days after the person received actual notice of sale. Existing law also requires a trustee or a successful bidder at a trustee's sale of property to record a trustee's deed upon sale not later than 30 days after the trustee's sale of the property. (NRS 107.080) Under **section 4** of this bill: (1) not later than 5 days after a trustee's deed upon sale is recorded, the trustee or successful bidder at the trustee's sale must post conspicuously on the property a notice of trustee's sale ~~that~~ **, although failure to do so does not affect the validity of a sale to a bona fide purchaser for value without knowledge of the failure;** (2) an action to declare void a trustee's sale must be commenced within ~~45~~ **30** days after the recording of the trustee's deed upon sale or, in certain circumstances, within 90 days after the date of the sale; and (3) after the expiration of the period for commencing an action to declare void a trustee's sale, any failure to comply with a provision of existing law governing the exercise of the trustee's power of sale does not affect the rights of a bona fide purchaser.

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

Section 1. Chapter 106 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Upon receipt of a written request from an authorized person to terminate ~~the revolving~~ an equity line of credit secured by a mortgage or deed of trust, the lender shall:

(a) Terminate the borrower's right to obtain advances under the borrower's ~~revolving~~ equity line of credit;

(b) Apply all sums subsequently paid by or on behalf of the borrower in connection with the ~~revolving~~ equity line of credit to the satisfaction of the ~~revolving~~ equity line of credit and other sums secured by the related security instrument; and

(c) When the balance of all outstanding sums secured by the related security instrument becomes zero, record a reconveyance or certificate of discharge of the security instrument.

2. ~~No particular phrasing is required in the written request provided to the lender to terminate a revolving line of credit, but the request must include, without limitation:~~

~~(a) The name of each borrower;~~

~~(b) The account number of the revolving line of credit; and~~

~~(c) The street address of the property, if appropriate.~~

~~3. Notice of a written request to terminate a revolving line of credit secured by a mortgage or deed of trust from an authorized person must be provided to the borrower. The notice must be in substantially the following form:~~

NOTICE TO BORROWER

~~You have a revolving line of credit, otherwise known as a home equity line of credit, secured by a mortgage or deed of trust, and lien, on real property located at _____.~~

~~Our company is handling the escrow for your transaction. We are sending the attached notice to your lender requesting that your revolving line of credit be terminated. Our reason for making this request is: _____.~~

~~When your lender receives our request, your lender will terminate and close your revolving line of credit and you will no longer be able to obtain credit advances. However, termination of your revolving line of credit does not release you from liability for amounts owed under the account. All sums your lender subsequently receives in connection with your revolving line of credit, including any sums we may send to your lender, will be applied by your lender to the satisfaction of your account. When the balance of your account becomes zero, your lender will be required to cancel the mortgage or deed of trust as a matter of public record.~~

~~If you have questions about this notice or our action, please contact _____ by calling us at _____ or writing to us at _____.~~

~~_____~~

~~_____~~

~~(Name of Company)}~~

Upon receipt from an authorized person of an instruction from a borrower to suspend and close an equity line of credit, the lender shall suspend the equity line of credit for a minimum of 30 days if the instruction is:

- (a) Prepared and presented to the lender by the authorized person;
- (b) Signed by the borrower; and
- (c) Made in substantially the following form:

**BORROWER'S INSTRUCTION TO SUSPEND AND
CLOSE EQUITY LINE OF CREDIT**

Lender: [Name of lender]

Borrower: [Name of borrower]

Account number of equity line of credit: [Account number]

Address of encumbered property: [Property address]

Escrow agent or settlement agent: [Name of agent]

In connection with a sale or refinance of the above-referenced property, my escrow agent or settlement agent has requested a payoff demand statement for the above-described equity line of credit. I understand that my ability to use this equity line of credit has been suspended for at least 30 days to accommodate this pending transaction. I understand that I cannot use any credit card, debit card or check associated with this equity line of credit while it is suspended, and all amounts of money will be due and payable upon close of escrow. I also understand that when payment is made in accordance with the payoff demand statement, my equity line of credit will be closed. If any amounts of money remain due after the payment is made, I understand that I will remain personally liable for those amounts of money even if the equity line of credit has been closed and the property released.

This is my written authorization and instruction that you are to close my equity line of credit and cause the secured lien against this property to be released when you are in receipt of both this instruction and payment in accordance with your payoff demand statement.

(Date)

(Signature of each borrower)

3. If a lender is in receipt of an instruction from a borrower to suspend and close an equity line of credit and payment in accordance with the payoff demand statement, the lender shall:

- (a) Close the equity line of credit; and
- (b) Release or reconvey the property securing the equity line of credit as provided in this chapter.

4. A lender may conclusively rely on a representation by the authorized person that presents an instruction of a borrower to suspend and close an equity line of credit that the instruction is that of the borrower.

5. As used in this section:

(a) “Authorized person” includes:

- (1) A title agent as defined in NRS 692A.060;
- (2) A title insurer as defined in NRS 692A.070; and
- (3) An escrow agency as defined in NRS 645A.010.

(b) “Receipt of a written request” includes confirmation by facsimile, electronic ~~mail~~ record, as defined in NRS 719.090, or paper copy sent by certified mail.

Sec. 2. Chapter 107 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If the trustee under a deed of trust is named in an action in which the deed of trust is the subject and the trustee has a reasonable belief that he or she has been named in the action solely in his or her capacity as trustee and not as a result of any wrongful act or omission made in the performance of his or her duties as trustee, the trustee may, at any time, file a declaration of nonmonetary status. The declaration must be served on the parties in the manner prescribed by Rule 5 of the Nevada Rules of Civil Procedure and must include:

(a) The status of the trustee as trustee under the deed of trust; and

(b) The basis for the trustee’s reasonable belief that he or she has been named as a defendant in the action solely in his or her capacity as trustee and not as a result of any wrongful act or omission made in the performance of his or her duties as trustee.

2. Upon the filing of a declaration of nonmonetary status pursuant to subsection 1, the time in which the trustee is required to file an answer or any other responsive pleading is tolled until notice is given of an order granting an objection to the declaration of nonmonetary status, from which date the trustee has 30 days to file an answer or any other responsive pleading to the complaint.

3. Any party that has appeared in an action described in subsection 1 has 15 days after the date of service of the declaration of nonmonetary status to file an objection. Any objection filed pursuant to this subsection must set forth the factual basis on which the objection is based and must be served on the trustee.

4. If a timely objection is made pursuant to subsection 3, the court shall promptly examine the declaration of nonmonetary status and the objection and shall issue an order as to the validity of the objection. If the court determines the objection is valid, the trustee is required to participate in the action.

5. If no objection is raised within the 15-day period pursuant to subsection 3 or if the court determines the objection is invalid, the trustee is not required to participate any further in the action and is not subject to any money damages ~~or equitable relief~~ or attorney’s fees or costs, except that the trustee is required to respond to any discovery request as a nonparty participant and is bound by any court order relating to the deed of trust.

6. *If, at any time during the proceedings under this section, the parties to the action acquire newly discovered evidence indicating the trustee should be made a participant in the action as a result of the trustee's performance of his or her duties as trustee, the parties may file a motion to amend the pleadings pursuant to Rule 15 of the Nevada Rules of Civil Procedure.*

7. *For the purposes of this section, "trustee" includes any agent or employee of the trustee who performs some or all the duties of a trustee under this chapter and includes substitute trustees and agents of the beneficiary or trustee.*

Sec. 3. NRS 107.028 is hereby amended to read as follows:

107.028 1. ~~The~~ ***Except as otherwise provided in subsection 4, the trustee under a deed of trust must be:***

- (a) An attorney licensed to practice law in this State;
- (b) A title insurer or title agent authorized to do business in this State pursuant to chapter 692A of NRS;
- (c) A person licensed pursuant to chapter 669 of NRS;
- (d) A domestic or foreign entity which holds a current state business license issued by the Secretary of State pursuant to chapter 76 of NRS;
- (e) A person who does business under the laws of this State, the United States or another state relating to banks, savings banks, savings and loan associations or thrift companies;
- (f) A person who is appointed as a fiduciary pursuant to NRS 662.245;
- (g) A person who acts as a registered agent for a domestic or foreign corporation, limited-liability company, limited partnership or limited-liability partnership;
- (h) A person who acts as a trustee of a trust holding real property for the primary purpose of facilitating any transaction with respect to real estate if he or she is not regularly engaged in the business of acting as a trustee for such trusts;
- (i) A person who engages in the business of a collection agency pursuant to chapter 649 of NRS; or
- (j) A person who engages in the business of an escrow agency, escrow agent or escrow officer pursuant to the provisions of chapter 645A or 692A of NRS.

2. A trustee under a deed of trust must not be the beneficiary of the deed of trust for the purposes of exercising the power of sale pursuant to NRS 107.080.

3. A trustee under a deed of trust must not:

- (a) Lend its name or its corporate capacity to any person who is not qualified to be the trustee under a deed of trust pursuant to subsection 1.
- (b) Act individually or in concert with any other person to circumvent the requirements of subsection 1.

4. A beneficiary of record may ~~replace~~ :

- (a) Replace its trustee with another trustee ~~it~~ ; or***
- (b) Substitute as trustee only for the purposes of executing a substitution of trustee and a full or partial reconveyance of a deed of trust.***

5. The appointment of a new trustee is not effective until the substitution of trustee is recorded in the office of the recorder of the county in which the real property is located.

~~{5-}~~ 6. The trustee does not have a fiduciary obligation to the grantor or any other person having an interest in the property which is subject to the deed of trust. The trustee shall act impartially and in good faith with respect to the deed of trust and shall act in accordance with the laws of this State. A rebuttable presumption that a trustee has acted impartially and in good faith exists if the trustee acts in compliance with the provisions of NRS 107.080. In performing acts required by NRS 107.080, the trustee incurs no liability for any good faith error resulting from reliance on information provided by the beneficiary regarding the nature and the amount of the default under the obligation secured by the deed of trust if the trustee corrects the good faith error not later than 20 days after discovering the error.

~~{6-}~~ 7. If, in an action brought by a grantor, a person who holds title of record or a beneficiary in the district court in and for the county in which the real property is located, the court finds that the trustee did not comply with this section, any other provision of this chapter or any applicable provision of chapter 106 or 205 of NRS, the court must award to the grantor, the person who holds title of record or the beneficiary:

(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;

(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and

(c) Reasonable attorney's fees and costs,
↪ unless the court finds good cause for a different award.

Sec. 4. NRS 107.080 is hereby amended to read as follows:

107.080 1. Except as otherwise provided in NRS 106.210, 107.085 and 107.086, if any transfer in trust of any estate in real property is made after March 29, 1927, to secure the performance of an obligation or the payment of any debt, a power of sale is hereby conferred upon the trustee to be exercised after a breach of the obligation for which the transfer is security.

2. The power of sale must not be exercised, however, until:

(a) Except as otherwise provided in paragraph (b), in the case of any trust agreement coming into force:

(1) On or after July 1, 1949, and before July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period of 15 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment; or

(2) On or after July 1, 1957, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a

period of 35 days, computed as prescribed in subsection 3, failed to make good the deficiency in performance or payment.

(b) In the case of any trust agreement which concerns owner-occupied housing as defined in NRS 107.086, the grantor, the person who holds the title of record, a beneficiary under a subordinate deed of trust or any other person who has a subordinate lien or encumbrance of record on the property has, for a period that commences in the manner and subject to the requirements described in subsection 3 and expires 5 days before the date of sale, failed to make good the deficiency in performance or payment.

(c) The beneficiary, the successor in interest of the beneficiary or the trustee first executes and causes to be recorded in the office of the recorder of the county wherein the trust property, or some part thereof, is situated a notice of the breach and of the election to sell or cause to be sold the property to satisfy the obligation which, except as otherwise provided in this paragraph, includes a notarized affidavit of authority to exercise the power of sale. Except as otherwise provided in subparagraph (5), the affidavit required by this paragraph must state under the penalty of perjury the following information, which must be based on the direct, personal knowledge of the affiant or the personal knowledge which the affiant acquired by a review of the business records of the beneficiary, the successor in interest of the beneficiary or the servicer of the obligation or debt secured by the deed of trust, which business records must meet the standards set forth in NRS 51.135:

(1) The full name and business address of the current trustee or the current trustee's personal representative or assignee, the current holder of the note secured by the deed of trust, the current beneficiary of record and the current servicer of the obligation or debt secured by the deed of trust.

(2) That the beneficiary under the deed of trust, the successor in interest of the beneficiary or the trustee is in actual or constructive possession of the note secured by the deed of trust or that the beneficiary or its successor in interest or the trustee is entitled to enforce the obligation or debt secured by the deed of trust. For the purposes of this subparagraph, if the obligation or debt is an instrument, as defined in subsection 2 of NRS 104.3103, a beneficiary or its successor in interest or the trustee is entitled to enforce the instrument if the beneficiary or its successor in interest or the trustee is:

(I) The holder of the instrument;

(II) A nonholder in possession of the instrument who has the rights of a holder; or

(III) A person not in possession of the instrument who is entitled to enforce the instrument pursuant to a court order issued under NRS 104.3309.

(3) That the beneficiary or its successor in interest, the servicer of the obligation or debt secured by the deed of trust or the trustee, or an attorney representing any of those persons, has sent to the obligor or borrower of the obligation or debt secured by the deed of trust a written statement of:

(I) The amount of payment required to make good the deficiency in performance or payment, avoid the exercise of the power of sale and reinstate

the terms and conditions of the underlying obligation or debt existing before the deficiency in performance or payment, as of the date of the statement;

(II) The amount in default;

(III) The principal amount of the obligation or debt secured by the deed of trust;

(IV) The amount of accrued interest and late charges;

(V) A good faith estimate of all fees imposed in connection with the exercise of the power of sale; and

(VI) Contact information for obtaining the most current amounts due and the local or toll-free telephone number described in subparagraph (4).

(4) A local or toll-free telephone number that the obligor or borrower of the obligation or debt may call to receive the most current amounts due and a recitation of the information contained in the affidavit.

(5) The date and the recordation number or other unique designation of, and the name of each assignee under, each recorded assignment of the deed of trust. The information required to be stated in the affidavit pursuant to this subparagraph may be based on:

(I) The direct, personal knowledge of the affiant;

(II) The personal knowledge which the affiant acquired by a review of the business records of the beneficiary, the successor in interest of the beneficiary or the servicer of the obligation or debt secured by the deed of trust, which business records must meet the standards set forth in NRS 51.135;

(III) Information contained in the records of the recorder of the county in which the property is located; or

(IV) The title guaranty or title insurance issued by a title insurer or title agent authorized to do business in this State pursuant to chapter 692A of NRS.

↪ The affidavit described in this paragraph is not required for the exercise of the trustee's power of sale with respect to any trust agreement which concerns a time share within a time-share plan created pursuant to chapter 119A of NRS if the power of sale is being exercised for the initial beneficiary under the deed of trust or an affiliate of the initial beneficiary.

(d) The beneficiary or its successor in interest or the servicer of the obligation or debt secured by the deed of trust has instructed the trustee to exercise the power of sale with respect to the property.

(e) Not less than 3 months have elapsed after the recording of the notice or, if the notice includes an affidavit and a certification indicating that, pursuant to NRS 107.130, an election has been made to use the expedited procedure for the exercise of the power of sale with respect to abandoned residential property, not less than 60 days have elapsed after the recording of the notice.

3. The 15- or 35-day period provided in paragraph (a) of subsection 2, or the period provided in paragraph (b) of subsection 2, commences on the first day following the day upon which the notice of default and election to sell is recorded in the office of the county recorder of the county in which the property is located and a copy of the notice of default and election to sell is mailed by registered or certified mail, return receipt requested and with

postage prepaid to the grantor or, to the person who holds the title of record on the date the notice of default and election to sell is recorded, and, if the property is operated as a facility licensed under chapter 449 of NRS, to the State Board of Health, at their respective addresses, if known, otherwise to the address of the trust property. The notice of default and election to sell must:

(a) Describe the deficiency in performance or payment and may contain a notice of intent to declare the entire unpaid balance due if acceleration is permitted by the obligation secured by the deed of trust, but acceleration must not occur if the deficiency in performance or payment is made good and any costs, fees and expenses incident to the preparation or recordation of the notice and incident to the making good of the deficiency in performance or payment are paid within the time specified in subsection 2;

(b) If the property is subject to the requirements of NRS 107.400 to 107.560, inclusive, contain the declaration required by subsection 6 of NRS 107.510;

(c) If, pursuant to NRS 107.130, an election has been made to use the expedited procedure for the exercise of the power of sale with respect to abandoned residential property, include the affidavit and certification required by subsection 6 of NRS 107.130; and

(d) If the property is a residential foreclosure, comply with the provisions of NRS 107.087.

4. The trustee, or other person authorized to make the sale under the terms of the trust deed or transfer in trust, shall, after expiration of the applicable period specified in paragraph (d) of subsection 2 following the recording of the notice of breach and election to sell, and before the making of the sale, give notice of the time and place thereof by recording the notice of sale and by:

(a) Providing the notice to each trustor, any other person entitled to notice pursuant to this section and, if the property is operated as a facility licensed under chapter 449 of NRS, the State Board of Health, by personal service or by mailing the notice by registered or certified mail to the last known address of the trustor and any other person entitled to such notice pursuant to this section;

(b) Posting a similar notice particularly describing the property, for 20 days successively, in a public place in the county where the property is situated;

(c) Publishing a copy of the notice three times, once each week for 3 consecutive weeks, in a newspaper of general circulation in the county where the property is situated or, if the property is a time share, by posting a copy of the notice on an Internet website and publishing a statement in a newspaper in the manner required by subsection 3 of NRS 119A.560; and

(d) If the property is a residential foreclosure, complying with the provisions of NRS 107.087.

5. Every sale made under the provisions of this section and other sections of this chapter vests in the purchaser the title of the grantor and any successors in interest without equity or right of redemption. ~~{A}~~ ***Except as otherwise provided in subsection 7, a sale made pursuant to this section must be declared***

void by any court of competent jurisdiction in the county where the sale took place if:

(a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section or any applicable provision of NRS 107.086 and 107.087;

(b) Except as otherwise provided in subsection 6, an action is commenced in the county where the sale took place within ~~145-151~~ **30** days after the date ~~{of the sale;}~~ **on which the trustee's deed upon sale is recorded pursuant to subsection 10 in the office of the county recorder of the county in which the property is located;** and

(c) A notice of lis pendens providing notice of the pendency of the action is recorded in the office of the county recorder of the county where the sale took place within ~~151~~ **5** days after commencement of the action.

6. If proper notice is not provided pursuant to subsection 3 or paragraph (a) of subsection 4 to the grantor, to the person who holds the title of record on the date the notice of default and election to sell is recorded, to each trustor or to any other person entitled to such notice, the person who did not receive such proper notice may commence an action pursuant to subsection 5 within ~~160~~ **90** days after the date ~~{on which the person received actual notice}~~ of the sale.

7. ***Upon expiration of the time for commencing an action which is set forth in subsections 5 and 6, any failure to comply with the provisions of this section or any other provision of this chapter does not affect the rights of a bona fide purchaser as described in NRS 111.180.***

8. If, in an action brought by the grantor or the person who holds title of record in the district court in and for the county in which the real property is located, the court finds that the beneficiary, the successor in interest of the beneficiary or the trustee did not comply with any requirement of subsection 2, 3 or 4, the court must award to the grantor or the person who holds title of record:

(a) Damages of \$5,000 or treble the amount of actual damages, whichever is greater;

(b) An injunction enjoining the exercise of the power of sale until the beneficiary, the successor in interest of the beneficiary or the trustee complies with the requirements of subsections 2, 3 and 4; and

(c) Reasonable attorney's fees and costs,
➡ unless the court finds good cause for a different award. The remedy provided in this subsection is in addition to the remedy provided in subsection 5.

~~18-1~~ 9. The sale of a lease of a dwelling unit of a cooperative housing corporation vests in the purchaser title to the shares in the corporation which accompany the lease.

~~19-1~~ 10. After a sale of property is conducted pursuant to this section, the trustee shall:

(a) Within 30 days after the date of the sale, record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located; or

(b) Within 20 days after the date of the sale, deliver the trustee's deed upon sale to the successful bidder. Within 10 days after the date of delivery of the deed by the trustee, the successful bidder shall record the trustee's deed upon sale in the office of the county recorder of the county in which the property is located.

~~{10.}~~ **11.** *Within 5 days after recording the trustee's deed upon sale, the trustee or successful bidder, whomever recorded the trustee's deed upon sale pursuant to subsection 10, shall cause a copy of the trustee's deed upon sale to be posted conspicuously on the property. The failure of a trustee or successful bidder to effect the posting required by this subsection does not affect the validity of a sale of the property to a bona fide purchaser for value without knowledge of the failure.*

12. If the successful bidder fails to record the trustee's deed upon sale pursuant to paragraph (b) of subsection ~~{9.}~~ **10**, the successful bidder:

(a) Is liable in a civil action to any party that is a senior lienholder against the property that is the subject of the sale in a sum of up to \$500 and for reasonable attorney's fees and the costs of bringing the action; and

(b) Is liable in a civil action for any actual damages caused by the failure to comply with the provisions of subsection ~~{9.}~~ **10** and for reasonable attorney's fees and the costs of bringing the action.

~~{11.}~~ **13.** The county recorder shall, in addition to any other fee, at the time of recording a notice of default and election to sell collect:

(a) A fee of \$150 for deposit in the State General Fund.

(b) A fee of \$45 for deposit in the Account for Foreclosure Mediation, which is hereby created in the State General Fund. The Account must be administered by the Court Administrator, and the money in the Account may be expended only for the purpose of supporting a program of foreclosure mediation established by Supreme Court Rule.

(c) A fee of \$5 to be paid over to the county treasurer on or before the fifth day of each month for the preceding calendar month. The county recorder may direct that 1.5 percent of the fees collected by the county recorder pursuant to this paragraph be transferred into a special account for use by the office of the county recorder. The county treasurer shall remit quarterly to the organization operating the program for legal services that receives the fees charged pursuant to NRS 19.031 for the operation of programs for the indigent all the money received from the county recorder pursuant to this paragraph.

~~{12.}~~ **14.** The fees collected pursuant to paragraphs (a) and (b) of subsection ~~{11.}~~ **13** must be paid over to the county treasurer by the county recorder on or before the fifth day of each month for the preceding calendar month, and, except as otherwise provided in this subsection, must be placed to the credit of the State General Fund or the Account for Foreclosure Mediation as prescribed pursuant to subsection ~~{11.}~~ **13**. The county recorder may direct

that 1.5 percent of the fees collected by the county recorder be transferred into a special account for use by the office of the county recorder. The county treasurer shall, on or before the 15th day of each month, remit the fees deposited by the county recorder pursuant to this subsection to the State Controller for credit to the State General Fund or the Account as prescribed in subsection ~~11.1~~ 13.

~~13.1~~ 15. The beneficiary, the successor in interest of the beneficiary or the trustee who causes to be recorded the notice of default and election to sell shall not charge the grantor or the successor in interest of the grantor any portion of any fee required to be paid pursuant to subsection ~~11.1~~ 13.

~~14.1~~ 16. As used in this section:

(a) “Residential foreclosure” means the sale of a single family residence under a power of sale granted by this section. As used in this paragraph, “single family residence”:

(1) Means a structure that is comprised of not more than four units.

(2) Does not include vacant land or any time share or other property regulated under chapter 119A of NRS.

(b) “Trustee” means the trustee of record.

Sec. 5. NRS 645B.340 is hereby amended to read as follows:

645B.340 1. Except as otherwise provided by law or by agreement between the parties and regardless of the date the interests were created, if the beneficial interest in a loan or the ownership interest in the real property previously securing the loan belongs to more than one person, the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property, as indicated on a trustee’s deed upon sale recorded pursuant to subsection ~~9.1~~ 10 of NRS 107.080, a deed recorded pursuant to subsection 5 of NRS 40.430 or a deed in lieu of foreclosure, and any subsequent deed selling, transferring or assigning an ownership interest, may act on behalf of all the holders of the beneficial interests or ownership interests of record on matters which require the action of the holders of the beneficial interests in the loan or the ownership interests in the real property, including, without limitation:

(a) The designation of a mortgage broker or mortgage agent, servicing agent or any other person to act on behalf of all the holders of the beneficial interests or ownership interests of record;

(b) The foreclosure of the property for which the loan was made;

(c) The subsequent sale, transfer, encumbrance or lease of real property owned by the holders resulting from a foreclosure or the receipt of a deed in lieu of a foreclosure in full satisfaction of a loan, to a bona fide purchaser or encumbrancer for value;

(d) The release of any obligation under a loan in return for an interest in equity in the real property or, if the loan was made to a person other than a natural person, an interest in equity of that entity; and

(e) The modification or restructuring of any term of the loan, deed of trust or other document relating to the loan, including, without limitation, changes to the maturity date, interest rate and the acceptance of payment of less than the full amount of the loan and any accrued interest in full satisfaction of the loan.

2. A person designated to act pursuant to subsection 1 on behalf of the holders of the beneficial interest in a loan or the ownership interest in real property shall, not later than 30 days before the date on which the holders will determine whether or not to act pursuant to subsection 1, send a written notice of the action to each holder of a beneficial interest or ownership interest at the holder's last known address, by a delivery service that provides proof of delivery or evidence that the notice was sent. The written notice must state:

(a) The actions that will be taken on behalf of the holders who consent to an action pursuant to this section, if the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property act pursuant to subsection 1;

(b) The actions that will be taken on behalf of the holders who do not consent to an action pursuant to this section, if the holders of the beneficial interest in a loan whose interests represent 51 percent or more of the outstanding principal balance of the loan or the holders of 51 percent or more of the ownership interest in the real property act pursuant to subsection 1; and

(c) The amount of the costs or, if an amount is unknown, an estimate of the amount of the costs that will be allocated to, or due from, the holder and deducted from any proceeds owed to the holder.

3. If real property is sold, transferred, encumbered or leased pursuant to paragraph (c) of subsection 1, any beneficial interest in the loan or ownership interest in the real property of a holder who does not consent to the sale, transfer, encumbrance or lease, including, without limitation, any interest of a tenant in common who does not consent to the sale, transfer, encumbrance or lease, must be sold, transferred, encumbered or leased by a reference to this section and by the signatures on the necessary documents of the holders consenting to the sale, transfer, encumbrance or lease of the real property. The holders consenting to the sale, transfer, encumbrance or lease of the real property shall designate a representative to sign any necessary documents on behalf of the holders who do not consent to the sale, transfer, encumbrance or lease and, if the representative maintains written evidence of the consent of the number of holders described in subsection 1, the representative is not liable for any action taken pursuant to this subsection.

4. Any action which is taken pursuant to subsection 1 must be in writing.

5. The provisions of this section do not apply to a transaction involving two investors with equal interests.

Sec. 6. This act becomes effective upon passage and approval.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment provides for the termination of an equity line of credit secured by a mortgage or deed of trust if a written request is received from an authorized person. It also changes the number of days from 45 to 30 after the sale of the property when the trustee's deed is recorded.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 262.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 858.

SENATORS HARRIS, FARLEY, DENIS; GOICOECHEA, GUSTAVSON, LIPPARELLI, MANENDO, SEGERBLOM AND SETTELMAYER

JOINT SPONSORS: ASSEMBLYMEN STEWART, NELSON, SILBERKRAUS ~~ET AL~~, O'NEILL, SEAMAN; ELLIOT ANDERSON, FIORE, GARDNER, JONES AND WOODBURY

AN ACT relating to guardians; adding provisions governing the appointment of certain preferred persons as guardians for adult wards; revising provisions relating to the appointment of a guardian for a minor; revising requirements governing eligibility to utilize a public guardian; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the appointment, qualifications and duties of guardians for certain minor and adult wards. (Chapter 159 of NRS) Existing law prohibits a nonresident of Nevada from being appointed as a guardian for a minor or adult ward unless the person has associated a co-guardian who is a resident of Nevada or a banking corporation whose principal place of business is in Nevada. (NRS 159.059) Existing law also gives preference to certain persons to be appointed as a guardian for a minor ward but does not give preference to any persons to be appointed as a guardian for an adult ward. (NRS 159.061)

Sections 1 and 6.7 of this bill revise the circumstances under which a court is authorized to appoint a nonresident as a guardian for an adult ward. **Section 6.3** eliminates existing limitations on the authority of a court to appoint a nonresident as a guardian for a minor ward. **Section 1** also requires the court to give preference in appointing a guardian for an adult ward to the following persons in the following order, whether or not the person is a nonresident: (1) a nominated person, who is a person the adult ward specifically nominated or requested as a guardian in a will, trust or other written document executed by the adult ward while competent; or (2) a relative. If two or more nominated persons are qualified and suitable to be appointed as a guardian, **section 1** authorizes the court to appoint two or more co-guardians or generally requires the court to give preference to the nominated person named in a will, trust or

other written document that is part of the adult's established estate plan, but there are certain exceptions for extraordinary circumstances.

In selecting a guardian, **section 1** does not allow the court to give preference to ~~to a nominated person or relative who is~~ a resident over ~~to a nominated person or relative who is~~ a nonresident if the court determines that the nonresident would be a more qualified and suitable guardian and the adult would receive continuing care and supervision under the guardianship of the nonresident. If the court selects a nonresident guardian, **section 1** requires the court to order the nonresident guardian to designate a registered agent in this State.

~~{Sections 1 and 2.5 of this bill increase the frequency with which a guardian must file with the court a report regarding the finances and well being of a ward from annually to semiannually.}~~

Section 2.3 of this bill revises the existing list of persons who are preferred for appointment as a guardian to a minor to include any person recommended by: (1) an agency which provides child welfare services, an agency which provides child protective services or a similar agency; or (2) a guardian ad litem or court appointed special advocate who represents the minor.

Sections 2.1-2.9 and 6.3 of this ~~act~~ **bill** make conforming changes to reflect the changes made by ~~{sections 1 and 6.7.}~~ **the other sections of this bill.**

Existing law provides that a ward is eligible to have a public guardian appointed as his or her permanent or general individual guardian if: (1) there is no relative or friend able and willing to be appointed as a guardian for the ward; or (2) the court removes a private professional guardian previously appointed for the ward. (NRS 253.200) **Section 3** of this bill provides for the appointment of a public guardian for an incompetent adult who failed to nominate a person for appointment as guardian while he or she was still competent or if the nominated person is not suitable or willing to serve as guardian.

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

Section 1. Chapter 159 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 3, in a proceeding to appoint a guardian for an adult, the court shall give preference to a nominated person or relative, in that order of preference:

(a) Whether or not the nominated person or relative is a resident of this State; and

(b) If the court determines that the nominated person or relative is qualified and suitable to be appointed as guardian for the adult.

2. In determining whether ~~for~~ any nominated person, ~~for~~ relative or other person listed in subsection 4 is qualified and suitable to be appointed as guardian for an adult, the court shall consider, if applicable and without limitation:

(a) The ability of the nominated person, ~~for~~ relative or other person to provide for the basic needs of the adult, including, without limitation, food, shelter, clothing and medical care;

(b) Whether the nominated person, ~~for~~ relative or other person has engaged in the habitual use of alcohol or any controlled substance during the previous 6 months, except the use of marijuana in accordance with the provisions of chapter 453A of NRS;

(c) Whether the nominated person, ~~for~~ relative or other person has been judicially determined to have committed abuse, neglect, ~~for~~ exploitation, isolation or abandonment of a child, his or her spouse, his or her parent or any other adult, unless the court finds that it is in the best interests of the ward to appoint the person as guardian for the adult;

(d) Whether the nominated person, ~~for~~ relative or other person is incompetent or has a disability; and

(e) Whether the nominated person, ~~for~~ relative or other person has been convicted in this State or any other jurisdiction of a felony, unless the court determines that any such conviction should not disqualify the person ~~for~~ relative from serving as guardian for the adult.

3. If the court finds that two or more nominated persons are qualified and suitable to be appointed as guardian for an adult, the court may appoint two or more nominated persons as co-guardians or shall give preference among them in the following order of preference:

(a) A person whom the adult nominated for the appointment as guardian for the adult in a will, trust or other written instrument that is part of the adult's established estate plan and was executed by the adult while competent.

(b) A person whom the adult requested for the appointment as guardian for the adult in a written instrument that is not part of the adult's established estate plan and was executed by the adult while competent.

4. Subject to the preferences set forth in subsections 1 and 3, the court shall appoint as guardian the qualified person who is most suitable and is willing to serve. In determining ~~who~~ which qualified person is most suitable, the court shall, in addition to considering any applicable factors set forth in subsection 2, give consideration, among other factors, to:

(a) Any nomination or request for the appointment as guardian by the adult.

(b) Any nomination or request for the appointment as guardian by a relative.

(c) The relationship by blood, adoption, marriage or domestic partnership of the proposed guardian to the adult. In considering preferences of appointment, the court may consider relatives of the half blood equally with those of the whole blood. The court may consider any relative in the following order of preference:

(1) A spouse or domestic partner.

(2) A child.

(3) A parent.

(4) Any relative with whom the adult has resided for more than 6 months before the filing of the petition or any relative who has a power of attorney executed by the adult while competent.

(5) Any relative currently acting as agent.

(6) A sibling.

(7) A grandparent or grandchild.

(8) An uncle, aunt, niece, nephew or cousin.

(9) Any other person recognized to be in a familial relationship with the adult.

(d) Any recommendation made by a master of the court or special master pursuant to NRS 159.0615.

(e) Any request for the appointment of any other interested person that the court deems appropriate, including, without limitation, a person who is not a relative and who has a power of attorney executed by the adult while competent.

5. The court may appoint as guardian ~~for~~ any nominated person, ~~for~~ relative or other person listed in subsection 4 who is not a resident of this State. The court shall not give preference to a resident of this State over a nonresident if the court determines that:

(a) The nonresident is more qualified and suitable to serve as guardian; and

(b) The distance from the proposed guardian's place of residence and the adult's place of residence will not affect the quality of the guardianship or the ability of the proposed guardian to make decisions and respond quickly to the needs of the adult because:

(1) A person or care provider in this State is providing continuing care and supervision for the adult;

(2) The adult is in a secured residential long-term care facility in this State; or

(3) Within 30 days after the appointment of the proposed guardian, the proposed guardian will move to this State or the adult will move to the proposed guardian's state of residence.

6. If the court appoints a nonresident as guardian ~~for~~ for the adult:

(a) The jurisdictional requirements of NRS 159.1991 to 159.2029, inclusive, must be met;

(b) The court shall order the guardian to designate a registered agent in this State in the same manner as a represented entity pursuant to chapter 77 of NRS; and

(c) The court may require the guardian to complete any available training concerning guardianships pursuant to NRS 159.0592, in this State or in the state of residence of the guardian, regarding:

(1) The legal duties and responsibilities of the guardian pursuant to this chapter;

(2) *The preparation of records and the filing of ~~semiannual~~ annual reports regarding the finances and well-being of the adult required pursuant to NRS 159.073;*

(3) *The rights of the adult;*

(4) *The availability of local resources to aid the adult; and*

(5) *Any other matter the court deems necessary or prudent.*

7. *If the court finds that there is ~~no~~ not any suitable nominated person, ~~for~~ relative or other person listed in subsection 4 to appoint as guardian, the court may appoint as guardian:*

(a) *The public guardian of the county where the adult resides if:*

(1) *There is a public guardian in the county where the adult resides; and*

(2) *The adult qualifies for a public guardian pursuant to chapter 253 of NRS;*

(b) *A private fiduciary who may obtain a bond in this State and who is a resident of this State, if the court finds that the interests of the adult will be served appropriately by the appointment of a private fiduciary; or*

(c) *A private professional guardian who meets the requirements of NRS 159.0595.*

8. *A person is not qualified to be appointed as guardian for an adult if the person has been suspended for misconduct or disbarred from ~~for~~ any of the professions listed in this subsection, but the disqualification applies only during the period of the suspension or disbarment. This subsection applies to:*

(a) *The practice of law;*

(b) *The practice of accounting; or*

(c) *Any other profession that:*

(1) *Involves or may involve the management or sale of money, investments, securities or real property; and*

(2) *Requires licensure in this State or any other state in which the person practices his or her profession.*

9. *As used in this section:*

(a) *“Adult” means a person who is a ward or a proposed ward and who is not a minor.*

(b) *“Domestic partner” means a person in a domestic partnership.*

(c) *“Domestic partnership” means:*

(1) *A domestic partnership as defined in NRS 122A.040; or*

(2) *A domestic partnership which was validly formed in another jurisdiction and which is substantially equivalent to a domestic partnership as defined in NRS 122A.040, regardless of whether it bears the name of a domestic partnership or is registered in this State.*

(d) *“Nominated person” means a person, whether or not a relative, whom an adult:*

(1) Nominates for the appointment as guardian for the adult in a will, trust or other written instrument that is part of the adult's established estate plan and was executed by the adult while competent.

(2) Requests for the appointment as guardian for the adult in a written instrument that is not part of the adult's established estate plan and was executed by the adult while competent.

(e) "Relative" means a person who is 18 years of age or older and who is related to the adult by blood, adoption, marriage or domestic partnership within the third degree of consanguinity or affinity.

Sec. 2. (Deleted by amendment.)

Sec. 2.1. NRS 159.0595 is hereby amended to read as follows:

159.0595 1. ~~1. A~~ In order for a person to serve as a private professional guardian, ~~if a person,~~ the person must be ~~qualified~~ :

(a) Qualified to serve as a guardian pursuant to ~~NRS 159.059~~ section 1 of this act if the ward is an adult or NRS 159.061 if the ward is a minor ; and ~~must be a~~

(b) A certified guardian.

2. ~~1. A~~ In order for an entity to serve as a private professional guardian, ~~if an entity,~~ the entity must ~~be~~ :

(a) Be qualified to serve as a guardian pursuant to ~~NRS 159.059~~ section 1 of this act if the ward is an adult ; and ~~must have~~

(b) Have a certified guardian involved in the day-to-day operation or management of the entity.

3. A private professional guardian shall, at his or her own cost and expense:

(a) Undergo a background investigation which requires the submission of a complete set of his or her fingerprints to the Central Repository for Nevada Records of Criminal History and to the Federal Bureau of Investigation for their respective reports; and

(b) Present the results of the background investigation to the court upon request.

4. As used in this section:

(a) "Certified guardian" means a person who is certified by the Center for Guardianship Certification or any successor organization.

(b) "Entity" includes, without limitation, a corporation, whether or not for profit, a limited-liability company and a partnership.

(c) "Person" means a natural person.

Sec. 2.3. NRS 159.061 is hereby amended to read as follows:

159.061 1. The parents of a minor, or either parent, if qualified and suitable, are preferred over all others for appointment as guardian for the minor. The appointment of a parent as ~~to~~ guardian ~~for~~ for the ~~person~~ minor must not conflict with a valid order for custody of the minor.

2. In determining whether the parents of a minor, or either parent, or any other person who seeks appointment as guardian for the minor is qualified and suitable, the court shall consider, if applicable and without limitation:

- (a) Which parent has physical custody of the minor;
- (b) The ability of the parents, ~~for~~ parent or other person to provide for the basic needs of the ~~child,~~ minor, including, without limitation, food, shelter, clothing and medical care;
- (c) Whether the parents, ~~for~~ parent or other person has engaged in the habitual use of alcohol or any controlled substance during the previous 6 months, except the use of marijuana in accordance with the provisions of chapter 453A of NRS; ~~and~~
- (d) Whether the parents, ~~for~~ parent or other person has been convicted of a crime of moral turpitude, a crime involving domestic violence or a crime involving the abuse, neglect, for exploitation, isolation or abandonment of a child ~~or~~, his or her spouse, his or her parent or any other adult; and
- (e) Whether the ~~parent or~~ parents ~~have~~, parent or other person has been convicted in this State or any other jurisdiction of a felony.

~~2.3.~~ 3. Subject to the preference set forth in subsection 1, the court shall appoint as guardian ~~for an incompetent, a person of limited capacity or a minor,~~ the qualified person who is most suitable and is willing to serve.

~~2.4.~~ 4. In determining ~~who~~ which qualified person is most suitable, the court shall , in addition to considering any applicable factors set forth in subsection 2, give consideration, among other factors, to:

- (a) ~~Any request for the appointment as guardian for an incompetent contained in a written instrument executed by the incompetent while competent.~~
- ~~(b)~~ Any nomination of a guardian for ~~an incompetent, a~~ the minor ~~for person of limited capacity~~ contained in a will or other written instrument executed by a parent ~~or spouse~~ of the ~~proposed ward.~~
- ~~(c)~~ minor.
- (b) Any request ~~for the appointment as guardian for a~~ made by the minor , if he or she is 14 years of age or older ~~made by~~, for the appointment of a person as guardian for the minor.

~~(d)~~ (c) The relationship by blood ~~or~~ adoption ~~for marriage~~ of the proposed guardian to the ~~proposed ward,~~ minor. In considering preferences of appointment, the court may consider relatives of the half blood equally with those of the whole blood. The court may consider relatives in the following order of preference:

- (1) ~~Spouse.~~
- ~~(2)~~ Adult child.
- ~~(3)~~ Parent.
- ~~(4)~~ (2) Adult sibling.
- ~~(5)~~ (3) Grandparent . ~~for adult grandchild.~~
- ~~(6)~~ (4) Uncle ~~or~~ aunt . ~~adult niece or adult nephew.~~

~~(e)~~ (d) Any recommendation made by a master of the court or special master pursuant to NRS 159.0615.

~~(f)~~ (e) Any recommendation made by:

(1) An agency which provides child welfare services, an agency which provides child protective services or a similar agency; or

(2) A guardian ad litem or court appointed special advocate who represents the minor.

(f) Any request for the appointment of any other interested person that the court deems appropriate.

~~14. If the court finds that there is no suitable person to appoint as guardian pursuant to subsection 3, the court may appoint as guardian:~~

~~—(a) The public guardian of the county where the ward resides, if:~~

~~—(1) There is a public guardian in the county where the ward resides; and~~

~~—(2) The proposed ward qualifies for a public guardian pursuant to chapter 253 of NRS;~~

~~—(b) A private fiduciary who may obtain a bond in this State and who is a resident of this State, if the court finds that the interests of the ward will be served appropriately by the appointment of a private fiduciary; or~~

~~—(c) A private professional guardian who meets the requirements of NRS 159.0595.]~~

5. As used in this section, “agency which provides child welfare services” has the meaning ascribed to it NRS 432B.030.

Sec. 2.5. [NRS 159.073 is hereby amended to read as follows:

~~159.073 1. Every guardian, before entering upon his or her duties as guardian and before letters of guardianship may issue, shall:~~

~~—(a) Take and subscribe the official oath which must:~~

~~—(1) Be endorsed on the letters of guardianship; and~~

~~—(2) State that the guardian will well and faithfully perform the duties of guardian according to law.~~

~~—(b) File in the proceeding the appropriate documents which include, without limitation, the full legal name of the guardian and the residence and post office addresses of the guardian.~~

~~—(c) Except as otherwise required in subsection 2, make and file in the proceeding a verified acknowledgment of the duties and responsibilities of a guardian. The acknowledgment must set forth:~~

~~—(1) A summary of the duties, functions and responsibilities of a guardian, including, without limitation, the duty to:~~

~~—(I) Act in the best interest of the ward at all times;~~

~~—(II) Provide the ward with medical, surgical, dental, psychiatric, psychological, hygienic or other care and treatment as needed, with adequate food and clothing and with safe and appropriate housing;~~

~~—(III) Protect, preserve and manage the income, assets and estate of the ward and utilize the income, assets and estate of the ward solely for the benefit of the ward;~~

~~—(IV) Maintain the assets of the ward in the name of the ward or the name of the guardianship. Except when the spouse of the ward is also his or her guardian, the assets of the ward must not be commingled with the assets of any third party.~~

~~— (V) Notify the court, all interested parties, the trustee, and named executor or appointed personal representative of the estate of the ward of the death of the ward within 30 days after the death.~~

~~— (2) A summary of the statutes, regulations, rules and standards governing the duties of a guardian.~~

~~— (3) A list of actions regarding the ward that require the prior approval of the court.~~

~~— (4) A statement of the need for accurate recordkeeping and the filing of [annual] **semiannual** reports with the court regarding the finances and well-being of the ward.~~

~~— 2. The court may exempt a public guardian or private professional guardian from filing an acknowledgment in each case and, in lieu thereof, require the public guardian or private professional guardian to file a general acknowledgment covering all guardianships to which the guardian may be appointed by the court. **(Deleted by amendment.)**~~

Sec. 2.7. NRS 159.185 is hereby amended to read as follows:

159.185 1. The court may remove a guardian if the court determines that:

(a) The guardian has become mentally incompetent, unsuitable or otherwise incapable of exercising the authority and performing the duties of a guardian as provided by law;

(b) The guardian is no longer qualified to act as a guardian pursuant to ~~[NRS 159.059;]~~ **section 1 of this act if the ward is an adult or NRS 159.061 if the ward is a minor;**

(c) The guardian has filed for bankruptcy within the previous 5 years;

(d) The guardian of the estate has mismanaged the estate of the ward;

(e) The guardian has negligently failed to perform any duty as provided by law or by any order of the court and:

(1) The negligence resulted in injury to the ward or the estate of the ward; or

(2) There was a substantial likelihood that the negligence would result in injury to the ward or the estate of the ward;

(f) The guardian has intentionally failed to perform any duty as provided by law or by any lawful order of the court, regardless of injury;

(g) The best interests of the ward will be served by the appointment of another person as guardian; or

(h) The guardian is a private professional guardian who is no longer qualified as a private professional guardian pursuant to NRS 159.0595.

2. A guardian may not be removed if the sole reason for removal is the lack of money to pay the compensation and expenses of the guardian.

Sec. 2.9. NRS 159.204 is hereby amended to read as follows:

159.204 1. To transfer jurisdiction of a guardianship or conservatorship to this State, the guardian, conservator or other interested party must petition the court of this State for guardianship pursuant to NRS 159.1991 to 159.2029, inclusive, to accept guardianship in this State. The petition must include a

certified copy of the other state's provisional order of transfer and proof that the ward is physically present in, or is reasonably expected to move permanently to, this State.

2. The court shall issue a provisional order granting a petition filed under subsection 1, unless:

(a) An objection is made and the objector establishes that transfer of the proceeding would be contrary to the interests of the ward; or

(b) The guardian or petitioner is not qualified for appointment as a guardian in this State pursuant to ~~NRS 159.059~~ **section 1 of this act if the ward is an adult or NRS 159.061 if the ward is a minor.**

3. The court shall issue a final order granting guardianship upon filing of a final order issued by the other state terminating proceedings in that state and transferring the proceedings to this State.

4. Not later than 90 days after the issuance of a final order accepting transfer of a guardianship or conservatorship, the court shall determine whether the guardianship or conservatorship needs to be modified to conform to the laws of this State.

5. In granting a petition under this section, the court shall recognize a guardianship or conservatorship order from the other state, including the determination of the ward's incapacity and the appointment of the guardian or conservator.

Sec. 3. NRS 253.200 is hereby amended to read as follows:

253.200 1. A resident of Nevada is eligible to have the public guardian of the county in which he or she resides appointed as his or her temporary individual guardian pursuant to NRS 159.0523 or 159.0525.

2. A resident of Nevada is eligible to have the public guardian of a county appointed as his or her permanent or general individual guardian if the proposed ward is a resident of that county and:

(a) The proposed ward has no ***nominated person***, relative or friend suitable and willing to serve as his or her guardian; or

(b) The proposed ward has a guardian who the court determines must be removed pursuant to NRS 159.185.

3. A person qualified pursuant to subsection 1 or 2, or anyone on his or her behalf, may petition the district court of the county in which he or she resides to make the appointment.

4. Before a petition for the appointment of the public guardian as a guardian may be filed pursuant to subsection 3, a copy of the petition and copies of all accompanying documents to be filed must be delivered to the public guardian or a deputy public guardian.

5. Any petition for the appointment of the public guardian as a guardian filed pursuant to subsection 3 must include a statement signed by the public guardian or deputy public guardian and in substantially the following form:

The undersigned is the Public Guardian or a Deputy Public Guardian of County. The undersigned certifies that he or she has received a

copy of this petition and all accompanying documents to be filed with the court.

6. A petition for the appointment of the public guardian as permanent or general guardian must be filed separately from a petition for the appointment of a temporary guardian.

7. If a person other than the public guardian served as temporary guardian before the appointment of the public guardian as permanent or general guardian, the temporary guardian must file an accounting and report with the court in which the petition for the appointment of a public guardian was filed within 30 days of the appointment of the public guardian as permanent or general guardian.

8. In addition to NRS 159.099, a county is not liable on any written or oral contract entered into by the public guardian of the county for or on behalf of a ward.

9. For the purposes of this section:

(a) Except as otherwise provided in paragraph (b), the county of residence of a person is the county to which the person moved with the intent to reside for an indefinite period.

(b) The county of residence of a person placed in institutional care is the county that was the county of residence of the person before the person was placed in institutional care by a guardian or agency or under power of attorney.

10. As used in this section, “nominated person” has the meaning ascribed to it in section 1 of this act.

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

Sec. 6.3. NRS 432B.4665 is hereby amended to read as follows:

432B.4665 1. The court may, upon the filing of a petition pursuant to NRS 432B.466, appoint a person as a guardian for a child if:

(a) The court finds:

(1) That the proposed guardian is suitable and is not disqualified from guardianship pursuant to NRS ~~159.059;~~ **159.061;**

(2) That the child has been in the custody of the proposed guardian for 6 months or more pursuant to a determination by a court that the child was in need of protection, unless the court waives this requirement for good cause shown;

(3) ~~Except as otherwise provided in subsection 3, that~~ **That** the proposed guardian has complied with the requirements of chapter 159 of NRS; and

(4) That the burden of proof set forth in chapter 159 of NRS for the appointment of a guardian for a child has been satisfied;

(b) The child consents to the guardianship, if the child is 14 years of age or older; and

(c) The court determines that the requirements for filing a petition pursuant to NRS 432B.466 have been satisfied.

2. A guardianship established pursuant to this section:

(a) Provides the guardian with the powers and duties provided in NRS 159.079, and subjects the guardian to the limitations set forth in NRS 159.0805;

(b) Is subject to the provisions of NRS 159.065 to 159.076, inclusive, and 159.185 to 159.199, inclusive;

(c) Provides the guardian with sole legal and physical custody of the child;

(d) Does not result in the termination of parental rights of a parent of the child; and

(e) Does not affect any rights of the child to inheritance, a succession or any services or benefits provided by the Federal Government, this state or an agency or political subdivision of this state.

~~3. The court may appoint as a guardian for a child pursuant to this section for not more than 6 months a person who does not satisfy the residency requirement set forth in subsection 5 of NRS 159.059 if the court determines that appointing such a person is necessary to facilitate the permanent placement of the child.~~

Sec. 6.7. NRS 159.059 is hereby repealed.

Sec. 7. This act becomes effective on July 1, 2015.

TEXT OF REPEALED SECTION

159.059 Qualifications of guardian. Except as otherwise provided in NRS 159.0595, any qualified person or entity that the court finds suitable may serve as a guardian. A person is not qualified to serve as a guardian who:

1. Is an incompetent.

2. Is a minor.

3. Has been convicted of a felony, unless the court determines that such conviction should not disqualify the person from serving as the guardian of the ward.

4. Has been suspended for misconduct or disbarred from:

(a) The practice of law;

(b) The practice of accounting; or

(c) Any other profession which:

(1) Involves or may involve the management or sale of money, investments, securities or real property; and

(2) Requires licensure in this State or any other state,
 ➤ during the period of the suspension or disbarment.

5. Is a nonresident of this State and:

(a) Has not associated as a coguardian, a resident of this State or a banking corporation whose principal place of business is in this State; and

(b) Is not a petitioner in the guardianship proceeding.

6. Has been judicially determined, by clear and convincing evidence, to have committed abuse, neglect or exploitation of a child, spouse, parent or

other adult, unless the court finds that it is in the best interests of the ward to appoint the person as the guardian of the ward.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

The amendment changes the requirement that a guardian provide a report on the finances and well-being of a ward from once every six months to once every year. It gives the court the flexibility to determine the qualifications and suitability of any person seeking appointment as a guardian and adds additional sponsors to the bill.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 304.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 862.

SUMMARY—Revises provisions relating to ~~the use of safety belts in taxicabs.~~ **motor vehicles.** (BDR 43-774)

AN ACT relating to motor vehicles; revising provisions relating to the use of safety belts in taxicabs; **limiting the recovery of damages arising from a civil action relating to a motor vehicle accident under certain circumstances;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, with certain exceptions, each adult passenger who rides in a taxicab in this State is required to wear a safety belt. Existing law also provides that a violation of this requirement may not be considered: (1) as negligence or as causation in any civil action or as negligent or reckless driving; or (2) as misuse or abuse of a product or as causation in any action brought to recover damages for injury to a person or property resulting from the manufacture, distribution, sale or use of a product. (NRS 484D.500) ~~[This]~~ **Section 1 of this** bill removes the preceding legal limitations and expressly allows a violation of the requirement to wear a safety belt while riding in a taxicab to be considered for those purposes.

Existing law requires every owner of a motor vehicle registered or required to be registered in this State to maintain certain amounts of insurance coverage for the payment of tort liabilities arising from the maintenance or use of the motor vehicle. (NRS 485.185) Existing law authorizes certain persons to satisfy such a requirement by obtaining an operator's policy of liability insurance instead of an owner's policy of liability insurance. (NRS 485.186) Existing law also provides that a person in whose name more than 10 motor vehicles are registered in this State may qualify as a self-insurer. (NRS 485.380) Section 2 of this bill limits, under certain circumstances, the amount of damages a plaintiff or claimant may recover in a civil action arising from a motor vehicle

accident if he or she was not in compliance with such provisions of existing law, as applicable, at the time of the accident.

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

Section 1. NRS 484D.500 is hereby amended to read as follows:

484D.500 1. Any passenger 18 years of age or older who rides in the front or back seat of any taxicab on any highway, road or street in this State shall wear a safety belt if one is available for the seating position of the passenger, except that this subsection does not apply:

(a) To a passenger who possesses a written statement by a physician certifying that the passenger is unable to wear a safety belt for medical or physical reasons; or

(b) If the taxicab was not required by federal law at the time of initial sale to be equipped with safety belts.

2. A citation must be issued to any passenger who violates the provisions of subsection 1. A citation may be issued pursuant to this subsection only if the violation is discovered when the vehicle is halted or its driver arrested for another alleged violation or offense. Any person who violates the provisions of subsection 1 shall be punished by a fine of not more than \$25 or by a sentence to perform a certain number of hours of community service.

3. A violation of subsection 1:

(a) Is not a moving traffic violation under NRS 483.473.

(b) May ~~not~~ be considered as negligence or as causation in any civil action or as negligent or reckless driving under NRS 484B.653.

(c) May ~~not~~ be considered as misuse or abuse of a product or as causation in any action brought to recover damages for injury to a person or property resulting from the manufacture, distribution, sale or use of a product.

4. An owner or operator of a taxicab shall post a sign within each of his or her taxicabs advising passengers that they must wear safety belts while being transported by the taxicab. Such a sign must be placed within the taxicab so as to be visible to and easily readable by passengers, except that this subsection does not apply if the taxicab was not required by federal law at the time of initial sale to be equipped with safety belts.

Sec. 2. Chapter 42 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, in any civil action to recover damages arising from an accident involving the operation of a motor vehicle or for any claim against the motor vehicle liability policy of another party, if the plaintiff or claimant was not in compliance with the requirements of NRS 485.185, 485.186 or 485.380, as applicable, at the time of the accident, the maximum amount that may be awarded to the plaintiff or claimant must:

(a) Be limited to medical costs, property damage and lost income incurred as a result of the accident; and

(b) Not include any damages for pain and suffering.

2. The provisions of subsection 1 do not apply to:

(a) A plaintiff or claimant injured by a motorist who, at the time of the accident, was operating a motor vehicle while under the influence of intoxicating liquor or a controlled substance or engaging in any other conduct prohibited by NRS 484C.110, 484C.120, 484C.130 or 484C.430 and:

(1) Was convicted of, or entered a plea of guilty or nolo contendere to, the offense; or

(2) Died as a result of the accident, if it is proven by a preponderance of the evidence that the motorist was operating the motor vehicle while committing any of the offenses described in this paragraph.

(b) A plaintiff or claimant who was a passenger in a motor vehicle involved in the accident, unless the plaintiff or claimant is an owner of the vehicle.

(c) A plaintiff or claimant who was not the operator of or a passenger in a motor vehicle involved in the accident.

(d) A plaintiff or claimant if the motorist who caused the accident:

(1) Intentionally caused the accident;

(2) Left the scene of the accident; or

(3) At the time of the accident, was acting in furtherance of the commission of a felony.

(e) A plaintiff or claimant who, at the time of the accident, was claimed as a dependent on the federal income tax return of one or both of his or her parents, and the parent or parents were not in compliance with the requirements of NRS 485.185, 485.186 or 485.380, as applicable.

(f) A plaintiff or claimant who, at the time of the accident, previously had been covered by an insurance policy which satisfied the requirements of NRS 485.185, 485.186 or 485.380, as applicable, that was cancelled or terminated for failure to pay the premium unless, at least 45 days before the accident, a notice of cancellation or termination was mailed to the last known address of the policyholder.

(g) Wrongful death claims.

3. Except as otherwise provided in subsection 2, the limitations of subsection 1 upon the amount and nature of damages which may be awarded may be asserted by:

(a) Any person who is involved in the accident which is the basis of the action or claim; and

(b) The insurer of motor vehicle liability for any person asserting a limitation set forth in subsection 1.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblymen Hansen, Elliot Anderson, and Wheeler.

ASSEMBLYMAN HANSEN:

The amendment limits, under certain circumstances, the amount of damages a person may recover in a civil action arising from a motor vehicle accident if he or she was not in compliance with certain insurance or financial responsibility laws at the time of the accident.

ASSEMBLYMAN ELLIOT ANDERSON:

I rise in opposition to Amendment 862 to Senate Bill 304. I know legal counsel has ruled this amendment to be germane, but this amendment is in a wholly different title, not to mention a different chapter. The original bill was about seatbelts in taxicabs. The amendment is about all types of vehicles and insurance. I am struggling with the germaneness of this one. If this is germane, I think we are in for a fun rest of the session because I do not see how it is germane.

ASSEMBLYMAN WHEELER:

I was asked to let you know that this is an unfriendly amendment to the author of the bill and I would urge a no vote.

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

Assembly in recess at 9:30 p.m.

ASSEMBLY IN SESSION

At 9:31 p.m.

Mr. Speaker presiding.

Quorum present.

Motion lost.

Bill ordered to third reading

Senate Bill No. 411.

Bill read second time.

The following amendment was proposed by the Committee on Taxation:

Amendment No. 819.

SUMMARY—Allows the imposition of ~~additional statutory~~ **certain** taxes in a county to fund capital projects of the school district based on the recommendations of a Public Schools Overcrowding and Repair Needs Committee and voter approval. (BDR S-140)

AN ACT relating to taxation; authorizing the board of trustees of a school district **under specified circumstances** to adopt a resolution establishing the formation of a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of ~~one or more statutory~~ **certain** taxes to fund the capital projects of the school district; providing that if such a Committee is formed and submits its recommendations to the board of county commissioners within the time prescribed, the board of county commissioners is required to submit a question to the voters at the 2016 General Election asking whether the ~~statutory tax or~~ **recommended** taxes should be imposed in the county; requiring the board of county commissioners to adopt an ordinance imposing any such ~~statutory tax or~~ taxes that are approved by the voters; **providing for the use of the proceeds of such taxes for certain school purposes;** providing for the prospective expiration of the authority of

a board of trustees to establish such a Committee; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[This]~~ **Section 1 of this bill** authorizes the board of trustees of a school district to establish by resolution a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of ~~[one or more statutory]~~ **certain** taxes for consideration by the voters at the 2016 General Election to fund the capital projects of the school district. ~~[This bill further requires that if]~~ **Under this bill, a Committee may not be established by the board of trustees of a school district in a county in which there is imposed for the benefit of a school district a tax on the gross receipts from the rental of transient lodging or a tax on transfers of real property, or both (currently Clark County).**

Sections 2 and 2.5 of this bill provide that if such a Committee is established ~~[and]~~, **the Committee may recommend the imposition of one or more of the following taxes: (1) an additional tax on the gross receipts from the rental of transient lodging in the county; (2) a supplemental governmental services tax for the privilege of operating a vehicle upon the public streets, roads and highways of the county; (3) an additional tax on the transfer of real property in the county; (4) an additional sales and use tax in the county; and (5) an additional property tax in the county. The recommendations of the Committee must specify the rate or rates for each of the recommended taxes and may specify the period during which the recommended taxes will be imposed. If the Committee** submits its recommendations to the board of county commissioners by April 2, 2016, the board of county commissioners is required to submit a question to the voters at the November 8, 2016, General Election asking whether any of the ~~[statutory tax or]~~ taxes recommended by the Committee should be imposed in the county. If a majority of the voters approve the question, the board of county commissioners is required to ~~[adopt an ordinance imposing]~~ **impose** the approved ~~[statutory tax or]~~ taxes ~~[and]~~ **at the rate specified in the question submitted to the voters. If a majority of the voters approve the imposition of an additional property tax, the additional rate is exempt from the partial abatement of property taxes on certain property and the requirement that taxes ad valorem not exceed \$3.64 on each \$100 of assessed valuation.**

Section 3 of this bill provides that the proceeds resulting from the imposition of such ~~[a tax or]~~ taxes **: (1) must be deposited in the fund for capital projects of the school district** ~~[The]~~; **and (2) may be pledged to the payment of the principal and interest on bonds or other obligations issued for certain school purposes.**

Section 4 of this bill provides that the provisions of this bill authorizing the board of trustees of a school district to establish such a Public Schools Overcrowding and Repair Needs Committee expire by limitation on April 2, 2016.

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

Section 1. 1. The board of trustees of a school district , other than a school district located in a county in which there is imposed for the benefit of the school district a tax on the gross receipts from the rental of transient lodging or a tax on transfers of real property pursuant to chapter 375 of NRS, or both, may, by resolution, establish a Public Schools Overcrowding and Repair Needs Committee to recommend the imposition of ~~a statutory tax~~ one or more of the taxes described in section 2.5 of this act for consideration by the voters at the 2016 General Election to fund the capital projects of the school district. If such a resolution is adopted, the Committee must be appointed consisting of:

(a) The superintendent of schools of the school district, who serves ex officio, or his or her designee.

(b) One Senator whose legislative district includes all or part the school district. If the legislative district of more than one Senator includes the school district, those Senators shall jointly appoint the member to serve.

(c) One member of the Assembly whose legislative district includes all or part of the school district. If the legislative district of more than one member of the Assembly includes the school district, those members of the Assembly shall jointly appoint the member to serve.

(d) One member who is a representative of the Nevada Association of Realtors, appointed by that Association.

(e) One member who is a representative of the Retail Association of Nevada, appointed by that Association.

(f) One member appointed by the board of county commissioners.

(g) If the county includes one or more cities, the mayor of each such city shall appoint a member to serve.

(h) If applicable to the county, one member of the oversight panel for school facilities established pursuant to NRS 393.092 or 393.096, appointed by the chair of the panel.

(i) One member who is a representative of a labor organization, appointed by the State of Nevada AFL-CIO.

(j) One member who is a representative of the largest organization of licensed educators in the county, appointed by that organization.

(k) One member of the general public, appointed by the parent-teacher association with the largest membership in the county.

(l) One member who represents economic development in the county, appointed by the regional development authority, as defined in NRS 231.009, for that county.

(m) One member who represents gaming, appointed by the gaming association with the largest membership in the county or, if there are no members of a gaming association in the county, the board of trustees.

(n) One member who represents business or commercial interests, other than gaming, appointed by the local chamber of commerce with the largest membership in the county or, if there is no local chamber of commerce in the county, the board of trustees.

(o) One member who represents homebuilders in the county, appointed by the association of homebuilders with the largest membership in the county or, if there are no members of an association of homebuilders in the county, the board of trustees.

2. The members appointed pursuant to paragraphs (d) to (o), inclusive, of subsection 1 must be residents of the county.

3. Any vacancy occurring in the appointed membership of a Committee established pursuant to subsection 1 must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

4. If a Committee is established pursuant to subsection 1, the Committee shall hold its first meeting upon the call of the superintendent of schools of the school district as soon as practicable after the appointments are made pursuant to subsection 1. At the first meeting of the Committee, the members of the Committee shall elect a chair.

5. A majority of a Committee established pursuant to subsection 1 constitutes a quorum for the transaction of business, and a majority of those members present at any meeting is sufficient for any official action taken by the Committee.

6. If a Committee is established pursuant to subsection 1, the superintendent of schools of the school district shall provide administrative support to the Committee.

Sec. 2. 1. If a Public Schools Overcrowding and Repair Needs Committee is established pursuant to subsection 1 of section 1 of this act, such a Committee shall, on or before April 2, 2016:

(a) Prepare recommendations for the imposition of one or more ~~statutory~~ **of the taxes described in section 2.5 of this act** in the county to provide funding for the school district for the purposes set forth in subsection 1 of NRS 387.335. ~~It and~~ **The recommendations must specify the proposed rate or rates for each of the recommended taxes and may specify the period during which one or more of the recommended taxes will be imposed.**

(b) Submit the recommendations to the board of county commissioners.

2. Upon the receipt of recommendations pursuant to subsection 1, the board of county commissioners shall ~~it~~

~~(a) At~~ **at** the General Election on November 8, 2016, submit a question to the voters of the county asking whether any of the recommended ~~statutory~~ **taxes** should be imposed in the county. ~~It and~~

~~(b)~~ **The question submitted to the voters of the county must specify the proposed rate or rates for each of the recommended taxes and the period during which each of the recommended taxes will be imposed, if the period was specified in the recommendations submitted pursuant to**

subsection 1. If the question submitted to the voters pursuant to this subsection asks the voters of the county whether to impose the tax described in subsection 5 of section 2.5 of this act, the question must state that any such tax imposed is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724.

3. If a majority of the voters voting on the question submitted to the voters pursuant to subsection 2 vote affirmatively on the question, ~~it~~ adopt an ordinance imposing:

(a) The board of county commissioners shall impose the recommended ~~statutory~~ tax or taxes, ~~it~~

The ordinance must provide the same procedures for the administration and enforcement of the statutory tax or taxes as set forth in the statutory provisions governing that tax or taxes, ~~it~~ in accordance with the provisions of section 2.5 of this act and at the rate or rates specified in the question submitted to the voters pursuant to subsection 2.

(b) If the question recommended the imposition of the tax described in subsection 5 of section 2.5 of this act:

(1) Any such tax imposed is exempt from each partial abatement from taxation provided pursuant to NRS 361.4722, 361.4723 and 361.4724.

(2) The provisions of NRS 361.453 do not apply to any such tax imposed.

(c) The ~~statutory~~ tax or taxes ~~may~~ shall be imposed notwithstanding the provisions of any specific statute to the contrary, ~~it~~ and, except as otherwise specifically provided in sections 1 to 3, inclusive, of this act, such tax or taxes are not subject to any limitations set forth in any statute which authorizes the board of county commissioners to impose such tax or taxes including, without limitation, any limitations on the maximum rate or rates which may be imposed or the duration of the period during which such taxes may be imposed.

Sec. 2.5. 1. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending the imposition of a tax on the gross receipts from the rental of transient lodging, in addition to all other taxes imposed on the revenue from the rental of transient lodging, the board of county commissioners shall impose a tax on the gross receipts from the rental of transient lodging at the rate specified in the question presented to the voters pursuant to section 2 of this act. The tax must be imposed throughout the county, including its incorporated cities, upon all persons in the business of providing transient lodging. The tax must be administered and enforced in the same manner as similar taxes imposed pursuant to chapter 244 of NRS on the revenue from the rental of transient lodging are administered and enforced.

2. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act

recommending the imposition of a supplemental governmental services tax for the privilege of operating a vehicle upon the public streets, roads and highways of the county, the board of county commissioners shall, in addition to any supplemental governmental services tax imposed pursuant to NRS 371.043 or 371.045, impose a supplemental governmental services tax at the rate specified in the question presented to the voters pursuant to section 2 of this act on each vehicle based in the county except:

(a) A vehicle exempt from the governmental services tax pursuant to chapter 371 of NRS; or

(b) A vehicle subject to NRS 706.011 to 706.861, inclusive, which is engaged in interstate or intercounty operations.

↪ The tax must be administered and enforced in the same manner as the taxes imposed pursuant NRS 371.043 and 371.045 are administered and enforced.

3. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending the imposition of a tax on transfers of real property, in addition to all other taxes imposed on transfers of real property pursuant to chapter 375 of NRS, the board of county commissioners shall impose a tax at the rate specified in the question presented to the voters pursuant to section 2 of this act on each deed by which any lands, tenements or other realty is granted, assigned, transferred or otherwise conveyed to, or vested in, another person, or land sale installment contract, if the consideration or value of the interest or property conveyed exceeds \$100. The amount of the tax must be computed on the basis of the value of the real property that is the subject of the transfer or land sale installment contract as declared pursuant to NRS 375.060. The county recorder shall collect the tax in the manner provided in NRS 375.030.

4. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending the imposition of a tax on the gross receipts of any retailer from the sale of all tangible personal property sold at retail, or stored, used or otherwise consumed in the county, the board of county commissioners shall impose the tax at the rate specified in the question presented to the voters pursuant to section 2 of this act. The tax must be administered and enforced in the same manner as the taxes imposed pursuant to chapter 374 of NRS are administered and enforced.

5. Upon approval of the registered voters of a county voting on a question presented to the voters pursuant to section 2 of this act recommending an increase in the rate of the tax levied in accordance with NRS 387.195, the board of county commissioners shall, in addition to any tax levied in accordance with NRS 387.195, levy a tax on the assessed valuation of taxable property within the county in the amount described in the question presented to the voters pursuant to section 2 of this act.

The tax must be administered and enforced in the same manner as the tax imposed pursuant to NRS 387.195 is administered and enforced.

Sec. 3. The proceeds of any ~~[statutory]~~ tax or taxes imposed ~~under an ordinance adopted pursuant to [section 2]~~ **sections 2 and 2.5** of this act:

1. Must be deposited in the school district's fund for capital projects established pursuant to NRS 387.328, to be held and **, except as otherwise provided in subsection 2,** expended in the same manner as other money deposited in that fund. ~~It and~~

2. **May be pledged to the payment of principal and interest on bonds or other obligations issued for one or more of the purposes set forth in NRS 387.335. The proceeds of such taxes so pledged may be treated as pledged revenues for the purposes of subsection 3 of NRS 350.020, and the board of trustees of the school district may issue bonds for those purposes in accordance with the provisions of chapter 350 of NRS.**

3. May not be used:

(a) To settle or arbitrate disputes between a recognized organization representing employees of a school district and the school district, or to settle any negotiations; or

(b) To adjust the district-wide schedule of salaries and benefits of the employees of a school district.

Sec. 4. 1. This act becomes effective upon passage and approval.

2. Section 1 of this act expires by limitation on April 2, 2016.

Assemblyman Armstrong moved the adoption of the amendment.

Remarks by Assemblymen Armstrong and Hickey.

ASSEMBLYMAN ARMSTRONG:

The amendment makes the following changes to the bill: a committee may not be formed in any county where the real property transfer tax or room tax is currently being imposed for the benefit of a school district; the taxes that may be recommended for a position by a committee are limited to sales and use tax, property tax, government services tax, real property transfer tax, and room tax; if the property tax is recommended and approved by voters, the rate is exempt from the partial abatements of taxes approved by the Legislature in the 2005 Session as well as the combined statutory limit of \$3.64 per \$100 of assessed value; and the proceeds from any taxes imposed may be used for the payment of principal or interest on bonds or other obligations.

ASSEMBLYMAN HICKEY:

I rise in support of the motion to add Amendment 819 to Senate Bill 411. This bill and this amendment that was provided with the help of Carole Vilardo from the Taxpayers Association allows school districts, like Washoe County, who have identified that they have real capital and maintenance needs to bring forth through a process a measure to the voters. It is simply going to bring, through this process, an opportunity for the voters to decide about the needs for schools in their district.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

Senate Bill No. 443.

Bill read second time and ordered to third reading.

Senate Bill No. 445.

Bill read second time and ordered to third reading.

Senate Bill No. 447.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 860.

AN ACT relating to marijuana; revising the crime of counterfeiting or forging a registry identification card for the medical use of marijuana; defining certain terms, including “concentrated cannabis”; revising the definition of marijuana for certain purposes; making it unlawful to extract concentrated cannabis; providing for the issuance of a letter of approval to certain children that allows such children to engage in the medical use of marijuana; revising certain exemptions from state prosecution for marijuana related offenses; revising provisions governing the return of seized marijuana, paraphernalia or related property from certain persons; providing that certain records created by the Division of Public and Behavioral Health of the Department of Health and Human Services relating to the medical use of marijuana are not confidential; authorizing the Division to issue a registry identification card; **revising provisions relating to the location and operation of medical marijuana establishments**; authorizing law enforcement agencies to adopt policies and procedures governing the medical use of marijuana by employees; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law makes it a crime, punishable as a category E felony, for a person to counterfeit or forge or attempt to counterfeit or forge a registry identification card, which is the instrument that indicates a bearer is entitled to engage in the medical use of marijuana. (NRS 207.335) **Section 1** of this bill makes it unlawful to: (1) counterfeit or forge or attempt to counterfeit or forge a letter of approval; or (2) possess with the intent to use any such counterfeit or forged registry identification card or letter of approval. Existing law defines marijuana for the purposes of the regulation of controlled substances. (NRS 453.096) Existing law also provides criminal penalties for various acts involving a schedule I controlled substance, including, without limitation, possession, manufacture, compounding, importation, distribution, sale, transfer, trafficking or driving under the influence. (NRS 453.316-453.348, 484C.110, 484C.120, 488.410) In addition to criminal penalties, existing law provides for civil penalties against a person who engages in certain acts involving the unlawful manufacture, distribution or sale of a schedule I controlled substance. (NRS 453.553-453.5533)

Sections 1.2-1.5 and 2 of this bill define certain terms, including “concentrated cannabis,” and revise the definition of marijuana for the purposes of regulating controlled substances. **Section 8** of this bill makes it unlawful to knowingly or intentionally extract concentrated cannabis. A person who violates such a provision is guilty of a category C felony.

Existing law exempts a person who holds a valid registry identification card from state prosecution for possession, delivery and production of marijuana. (NRS 453A.200) The Division of Public and Behavioral Health of the Department of Health and Human Services may either issue a registry identification card that has been prepared by the Department of Motor Vehicles to a person who meets certain qualifications or designate the Department of Motor Vehicles to issue a registry identification card to such a person. (NRS 453A.210, 453A.220, 453A.740) A person under the age of 18 years can obtain a registry identification card if the custodial parent or legal guardian with responsibility for health care decisions for the person agrees to serve as the designated primary caregiver for the person and the person meets certain other requirements. (NRS 453A.210) **Sections 17 and 18** of this bill require the Division to issue a letter of approval to an applicant who is under 10 years of age stating that the Division has approved the person's application to be exempted from state prosecution for engaging in the medical use of marijuana if the applicant meets these requirements instead of requiring the applicant to obtain a registry identification card that is prepared or issued by the Department. **Section 18** also prescribes the required contents of a letter of approval.

Section 13.3 of this bill provides that: (1) an employee of the State Department of Agriculture who possesses, delivers or produces marijuana in the course of his or her duties is exempt from certain offenses relating to marijuana; and (2) no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana.

Section 13 of this bill provides that a person who obtains a letter of approval is exempt from certain offenses relating to the possession of marijuana or paraphernalia, but not offenses relating to the delivery and production of marijuana. **Sections 17 and 22** of this bill require the custodial parent or legal guardian of a child under the age of 10 years who obtains a letter of approval to agree to serve as the designated primary caregiver for the child. **Section 18** requires the Division to issue a registry identification card to the designated primary caregiver of the holder of a letter of approval. **Sections 25-27** of this bill authorize a medical marijuana establishment to acquire marijuana from and dispense marijuana to the designated primary caregiver of a person who holds a letter of approval in the same manner as for a patient who holds a registry identification card.

Sections 19-23 of this bill make certain provisions concerning the revocation and expiration of a registry identification card, the designation of a primary caregiver and acts for which the holder of a registry identification card is not exempt from state prosecution applicable to the holder of a letter of approval. **Sections 29 and 30** of this bill authorize a patient who holds a valid letter of approval and his or her designated primary caregiver to select one medical marijuana dispensary to serve as his or her designated medical marijuana dispensary. **Sections 31-34** of this bill make certain rights and

protections for persons who hold a registry identification card and persons who assist such persons in the medical use of marijuana applicable to a person who holds a letter of approval and a person who assists a person who holds a letter of approval as well.

Section 26.5 of this bill allows a medical marijuana establishment to move to a new location under the jurisdiction of the same local government if the local government approves the new location. Section 27 of this bill allows a medical marijuana establishment to use certain pesticides in the cultivation and production of marijuana, edible marijuana products and marijuana-infused products. Section 36.7 of this bill requires the Division to revise its regulations to conform with the provisions of sections 26.5 and 27.

Section 27.5 of this bill allows a medical marijuana establishment to transport medical marijuana or enter into a contract with a third party to transport medical marijuana to another medical marijuana establishment or between the buildings of the medical marijuana establishment.

Existing law provides certain acts for which the holder of a registry identification card is not exempt from state prosecution for certain offenses relating to marijuana. (NRS 453A.300) **Section 23** provides that such a person is not exempt from state prosecution for possessing marijuana or paraphernalia on school property.

The Nevada Constitution requires the Legislature to provide by law for protection of the plant of the genus *Cannabis* for medical purposes and property related to its use from forfeiture except upon conviction or plea of guilty or nolo contendere. (Nev. Const. Art. 4 § 38) Existing law requires a district attorney of the county in which marijuana, drug paraphernalia or other related property was seized, or the district attorney's designee, to make a determination that a person is engaging in or assisting in the medical use of marijuana under certain circumstances. (NRS 453A.400) **Section 31** removes the requirement to make such a determination and instead requires law enforcement to return any usable marijuana, marijuana plants, drug paraphernalia and other related property that was seized upon: (1) a decision not to prosecute; (2) the dismissal of the charges; or (3) acquittal.

Section 34 also provides that the Division shall not disclose the contents of any tool used by the Division to evaluate an applicant or affiliate or certain other information regarding an applicant or affiliate.

Section 35 of this bill authorizes the Division to issue a registry identification card rather than requiring that the card be prepared by the Department of Motor Vehicles. **Section 35** further provides that the Division will issue a letter of approval to a qualified person and authorizes a fee for providing an application and processing a letter of approval in the same amount as for a registry identification card.

Existing law does not require an employer to modify the job or working conditions of an employee who engages in the medical use of marijuana, but

does require that an employer must attempt to make reasonable accommodations for the employee under certain circumstances. (NRS 453A.800) **Section 36** of this bill provides that a law enforcement agency is not prohibited from adopting policies or procedures that preclude an employee from engaging in the medical use of marijuana.

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

Section 1. NRS 207.335 is hereby amended to read as follows:

207.335 1. It is unlawful for any person to ~~counterfeit~~:

(a) **Counterfeit** or forge or attempt to counterfeit or forge a registry identification card ~~[-]~~ **or letter of approval; or**

(b) **Have in his or her possession with the intent to use any counterfeit or forged registry identification card or letter of approval.**

2. Any person who violates the provisions of subsection 1 is guilty of a category E felony and shall be punished as provided in NRS 193.130.

3. As used in this section ~~[-“registry”]~~:

(a) **“Letter of approval” has the meaning ascribed to it in section 12 of this act.**

(b) **“Registry identification card” has the meaning ascribed to it in NRS 453A.140.**

Sec. 1.1. Chapter 453 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.2 to 1.5, inclusive, of this act.

Sec. 1.2. ***“CBD” means cannabidiol, which is a primary phytocannabinoid compound found in marijuana.***

Sec. 1.3. ***“Concentrated cannabis” means the extracted or separated resin, whether crude or purified, containing THC or CBD from marijuana.***

Sec. 1.4. ***“Extraction” means the process or act of extracting THC or CBD from marijuana, including, without limitation, pushing, pulling or drawing out THC or CBD from marijuana.***

Sec. 1.5. ***“THC” means:***

- 1. *Delta-9-tetrahydrocannabinol;***
- 2. *Delta-8-tetrahydrocannabinol; and***
- 3. *The optical isomers of such substances.***

Sec. 1.6. NRS 453.016 is hereby amended to read as follows:

453.016 As used in this chapter, the words and terms defined in NRS 453.021 to 453.141, inclusive, **and sections 1.2 to 1.5, inclusive, of this act** have the meanings ascribed to them in those sections except in instances where the context clearly indicates a different meaning.

Sec. 2. NRS 453.096 is hereby amended to read as follows:

453.096 1. “Marijuana” means:

- (a) All parts of any plant of the genus Cannabis, whether growing or not;
- (b) The seeds thereof;
- (c) The resin extracted from any part of the plant ~~[-]~~, **including concentrated cannabis;** and

(d) Every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin.

2. “Marijuana” does not include the mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

Sec. 3. (Deleted by amendment.)

Sec. 4. NRS 453.3353 is hereby amended to read as follows:

453.3353 1. Unless a greater penalty is provided by law, and except as otherwise provided in this section and NRS 193.169, if:

(a) A person violates NRS 453.322, 453.3385 or 453.3395, and the violation involves the manufacturing or compounding of any controlled substance other than marijuana; and

(b) During the discovery or cleanup of the premises at, on or in which the controlled substance was manufactured or compounded, another person suffers substantial bodily harm other than death as the proximate result of the manufacturing or compounding of the controlled substance,

→ the person who committed the offense shall be punished by imprisonment in the state prison for a term equal to and in addition to the term of imprisonment prescribed by statute for the offense. The sentence prescribed by this subsection runs consecutively with the sentence prescribed by statute for the offense.

2. Unless a greater penalty is provided by law, and except as otherwise provided in NRS 193.169, if:

(a) A person violates NRS 453.322, 453.3385 or 453.3395, and the violation involves the manufacturing or compounding of any controlled substance other than marijuana; and

(b) During the discovery or cleanup of the premises at, on or in which the controlled substance was manufactured or compounded, another person suffers death as the proximate result of the manufacturing or compounding of the controlled substance,

→ the offense shall be deemed a category A felony and the person who committed the offense shall be punished by imprisonment in the state prison:

(1) For life without the possibility of parole;

(2) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 20 years has been served; or

(3) For a definite term of 50 years, with eligibility for parole beginning when a minimum of 20 years has been served.

3. Subsection 1 does not create a separate offense but provides an additional penalty for the primary offense, the imposition of which is contingent upon the finding of the prescribed fact. Subsection 2 does not create a separate offense but provides an alternative penalty for the primary offense, the imposition of which is contingent upon the finding of the prescribed fact.

4. As used in this section : ~~[-“premises” means:]~~

(a) *“Marijuana” does not include concentrated cannabis.*

(b) *“Premises” means:*

(1) Any temporary or permanent structure, including, without limitation, any building, house, room, apartment, tenement, shed, carport, garage, shop, warehouse, store, mill, barn, stable, outhouse or tent; or

~~[(b)]~~ (2) Any conveyance, including, without limitation, any vessel, boat, vehicle, airplane, glider, house trailer, travel trailer, motor home or railroad car,

↪ whether located aboveground or underground and whether inhabited or not.

Sec. 5. NRS 453.336 is hereby amended to read as follows:

453.336 1. 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 practice registered nurse 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 ~~1.1~~, **and sections 1.2 to 1.5, inclusive, of this act.**

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 NRS 439.985 to 439.994, inclusive.

6. As used in this section:

(a) “Controlled substance” includes flunitrazepam, gamma-hydroxybutyrate and each substance for which flunitrazepam or gamma-hydroxybutyrate is an immediate precursor.

(b) “*Marijuana*” **does not include concentrated cannabis.**

(c) “Sterile hypodermic device program” has the meaning ascribed to it in NRS 439.986.

Sec. 6. NRS 453.3385 is hereby amended to read as follows:

453.3385 **1.** Except as otherwise authorized by the provisions of NRS 453.011 to 453.552, inclusive, **and sections 1.2 to 1.5, inclusive, of this act**, a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly or intentionally in actual or constructive possession of flunitrazepam, gamma-hydroxybutyrate, any substance for which flunitrazepam or gamma-hydroxybutyrate is an immediate precursor or any controlled substance which is listed in schedule I, except marijuana, or any mixture which contains any such controlled substance, shall be punished, unless a greater penalty is provided pursuant to NRS 453.322, if the quantity involved:

~~{1-}~~ **(a)** Is 4 grams or more, but less than 14 grams, for a category B felony 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 and by a fine of not more than \$50,000.

~~{2-}~~ **(b)** Is 14 grams or more, but less than 28 grams, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years and by a fine of not more than \$100,000.

~~{3-}~~ **(c)** Is 28 grams or more, for a category A felony by imprisonment in the state prison:

~~[(a)]~~ (1) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 10 years has been served; or

~~[(b)]~~ (2) For a definite term of 25 years, with eligibility for parole beginning when a minimum of 10 years has been served,

➡ and by a fine of not more than \$500,000.

2. As used in this section, “marijuana” does not include concentrated cannabis.

Sec. 7. NRS 453.339 is hereby amended to read as follows:

453.339 1. Except as otherwise provided in NRS 453.011 to 453.552, inclusive, **and sections 1.2 to 1.5, inclusive, of this act**, a person who knowingly or intentionally sells, manufactures, delivers or brings into this State or who is knowingly or intentionally in actual or constructive possession of marijuana shall be punished, if the quantity involved:

(a) Is 100 pounds or more, but less than 2,000 pounds, for a category C felony as provided in NRS 193.130 and by a fine of not more than \$25,000.

(b) Is 2,000 pounds or more, but less than 10,000 pounds, for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 10 years and by a fine of not more than \$50,000.

(c) Is 10,000 pounds or more, for a category A felony by imprisonment in the state prison:

(1) For life with the possibility of parole, with eligibility for parole beginning when a minimum of 5 years has been served; or

(2) For a definite term of 15 years, with eligibility for parole beginning when a minimum of 5 years has been served,

➡ and by a fine of not more than \$200,000.

2. For the purposes of this section:

(a) “Marijuana” means all parts of any plant of the genus Cannabis, whether growing or not. **The term does not include concentrated cannabis.**

(b) The weight of marijuana is its weight when seized or as soon as practicable thereafter.

Sec. 8. NRS 453.3393 is hereby amended to read as follows:

453.3393 1. A person shall not knowingly or intentionally manufacture, grow, plant, cultivate, harvest, dry, propagate or process marijuana, except as specifically authorized by the provisions of this chapter or chapter 453A of NRS.

2. Unless a greater penalty is provided in **subsection 3 or** NRS 453.339, a person who violates subsection 1, if the quantity involved is more than 12 marijuana plants, irrespective of whether the marijuana plants are mature or immature, is guilty of a category E felony and shall be punished as provided in NRS 193.130.

3. A person shall not knowingly or intentionally extract concentrated cannabis, except as specifically authorized by the provisions of chapter 453A of NRS. Unless a greater penalty is provided in NRS 453.339, a person who

violates this subsection is guilty of a category C felony and shall be punished as provided in NRS 193.130.

4. In addition to any punishment imposed pursuant to ~~subsection 2,~~ ***this section***, the court shall order a person convicted of a violation of ~~subsection 4~~ ***this section*** to pay all costs associated with any necessary cleanup and disposal related to the manufacturing, growing, planting, cultivation, harvesting, drying, propagation or processing of the marijuana ~~or the extraction of concentrated cannabis.~~

Sec. 9. NRS 453.401 is hereby amended to read as follows:

453.401 1. Except as otherwise provided in subsections 3 and 4, if two or more persons conspire to commit an offense which is a felony under the Uniform Controlled Substances Act or conspire to defraud the State of Nevada or an agency of the State in connection with its enforcement of the Uniform Controlled Substances Act, and one of the conspirators does an act in furtherance of the conspiracy, each conspirator:

(a) For a first offense, is guilty of a category C felony and shall be punished as provided in NRS 193.130.

(b) For a second offense, or if, in the case of a first conviction of violating this subsection, the conspirator has previously been convicted of a felony under the Uniform Controlled Substances Act or of an offense under the laws of the United States or of any state, territory or district which if committed in this State, would amount to a felony under the Uniform Controlled Substances Act, 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 2 years and a maximum term of not more than 10 years, and may be further punished by a fine of not more than \$10,000.

(c) For a third or subsequent offense, or if the conspirator has previously been convicted two or more times of a felony under the Uniform Controlled Substances Act or of an offense under the laws of the United States or any state, territory or district which, if committed in this State, would amount to a felony under the Uniform Controlled Substances Act, 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 3 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$20,000 for each offense.

2. Except as otherwise provided in subsection 3, if two or more persons conspire to commit an offense in violation of the Uniform Controlled Substances Act and the offense does not constitute a felony, and one of the conspirators does an act in furtherance of the conspiracy, each conspirator shall be punished by imprisonment, or by imprisonment and fine, for not more than the maximum punishment provided for the offense which they conspired to commit.

3. If two or more persons conspire to possess more than 1 ounce of marijuana unlawfully, except for the purpose of sale, and one of the

conspirators does an act in furtherance of the conspiracy, each conspirator is guilty of a gross misdemeanor.

4. If the conspiracy subjects the conspirators to criminal liability under NRS 207.400, the persons so conspiring shall be punished in the manner provided in NRS 207.400.

5. The court shall not grant probation to or suspend the sentence of a person convicted of violating this section and punishable pursuant to paragraph (b) or (c) of subsection 1.

6. *As used in this section, "marijuana" does not include concentrated cannabis.*

Sec. 10. NRS 453.5531 is hereby amended to read as follows:

453.5531 1. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving marijuana, to a civil penalty in an amount:

(a) Not to exceed \$350,000, if the quantity involved is 100 pounds or more, but less than 2,000 pounds.

(b) Not to exceed \$700,000, if the quantity involved is 2,000 pounds or more, but less than 10,000 pounds.

(c) Not to exceed \$1,000,000, if the quantity involved is 10,000 pounds or more.

2. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving a controlled substance, except marijuana, which is listed in schedule I or a substitute therefor, to a civil penalty in an amount:

(a) Not to exceed \$350,000, if the quantity involved is 4 grams or more, but less than 14 grams.

(b) Not to exceed \$700,000, if the quantity involved is 14 grams or more, but less than 28 grams.

(c) Not to exceed \$1,000,000, if the quantity involved is 28 grams or more.

3. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving a controlled substance which is listed in schedule II or III or a substitute therefor, to a civil penalty in an amount:

(a) Not to exceed \$350,000, if the quantity involved is 28 grams or more, but less than 200 grams.

(b) Not to exceed \$700,000, if the quantity involved is 200 grams or more, but less than 400 grams.

(c) Not to exceed \$1,000,000, if the quantity involved is 400 grams or more.

4. Unless a greater civil penalty is authorized by another provision of this section, the State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving any act or transaction in violation of the provisions of NRS 453.3611 to 453.3648, inclusive, to a civil penalty in an amount not to exceed \$350,000.

5. The State of Nevada is entitled, in a civil action brought pursuant to NRS 453.553 involving any act or transaction in violation of the provisions of NRS 453.324, 453.354, 453.355 or 453.357, to a civil penalty in an amount not to exceed \$250,000 for each violation.

6. As used in this section, “marijuana” does not include concentrated cannabis.

Sec. 11. Chapter 453A of NRS is hereby amended by adding thereto the provisions set forth as sections 12 ~~and 13~~ to 13.7, inclusive, of this act.

Sec. 12. “Letter of approval” means a document issued by the Division to an applicant who is under 10 years of age pursuant to NRS 453A.220 which provides that the applicant is exempt from state prosecution for engaging in the medical use of marijuana.

Sec. 13. 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid letter of approval issued pursuant to NRS 453A.220 is exempt from state prosecution for:

- (a) Possession of marijuana;
- (b) Possession of paraphernalia;
- (c) Any combination of the acts described in paragraphs (a) and (b); and
- (d) Any other criminal offense in which the possession of marijuana or paraphernalia is an element.

2. The exemption from state prosecution set forth in subsection 1 applies only to the extent that the person who holds a letter of approval:

- (a) Engages in the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of the person’s chronic or debilitating medical condition; and
- (b) Does not, at any one time, collectively possess with his or her designated primary caregiver an amount of marijuana for medical purposes that exceeds the limits set forth in NRS 453A.200.

3. As used in this section, “marijuana” includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 13.3. 1. An employee of the State Department of Agriculture who, in the course of his or her duties:

- (a) Possesses, delivers or produces marijuana;
- (b) Aids and abets another in the possession, delivery or production of marijuana;
- (c) Performs any combination of the acts described in paragraphs (a) and (b); or
- (d) Performs any other criminal offense in which the possession, delivery or production of marijuana is an element,

↪ is exempt from state prosecution for the offense. The persons described in this subsection must ensure that the marijuana described in this subsection is safeguarded in an enclosed, secure location.

2. In addition to the provisions of subsection 1, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. As used in this section, “marijuana” includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 13.7. The Division may enter into an interlocal agreement pursuant to NRS 277.080 to 277.180, inclusive, to carry out the provisions of NRS 453A.320 to 453A.370, inclusive.

Sec. 14. NRS 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 453A.020 to 453A.170, inclusive, **and section 12 of this act** have the meanings ascribed to them in those sections.

Sec. 15. NRS 453A.116 is hereby amended to read as follows:

453A.116 “Medical marijuana establishment” means:

1. An independent testing laboratory;
2. A cultivation facility;
3. A facility for the production of edible marijuana products or marijuana-infused products; **or**
4. A medical marijuana dispensary . ~~for~~
- ~~5. A business that has registered with the Division and paid the requisite fees to act as more than one of the types of businesses listed in subsections 2, 3 and 4.~~

Sec. 16. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

- (a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of ~~the~~ a person’s chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess ~~it~~ **with another who is authorized to possess**, deliver or produce more than:

(1) Two and one-half ounces of usable marijuana in any one 14-day period;

(2) Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature; and

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

➡ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to NRS 453A.322 or a valid medical marijuana establishment agent registration card issued to the person pursuant to NRS 453A.332, and who confines his or her activities to those authorized by NRS 453A.320 to 453A.370, inclusive, and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card ~~for his or her~~, **including, without limitation, a designated primary caregiver, if any,** such ~~persons are~~ **a person is** not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) The person who holds the registry identification card ~~for his or her designated primary caregiver, if any,~~ was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;

(b) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card ~~for his or her designated primary caregiver, if any,~~ close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

(c) Because of illness or lack of transportation, the person who holds the registry identification card ~~and his or her designated primary caregiver, if any, are~~ is unable reasonably to travel to a medical marijuana dispensary; or

(d) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, “marijuana” includes, without limitation, edible marijuana products and marijuana-infused products.

Sec. 17. NRS 453A.210 is hereby amended to read as follows:

453A.210 1. The Division shall establish and maintain a program for the issuance of registry identification cards **and letters of approval** to persons who meet the requirements of this section.

2. Except as otherwise provided in subsections 3 and 5 and NRS 453A.225, the Division or its designee shall issue a registry identification card to a person who is a resident of this State and who submits an application on a form prescribed by the Division accompanied by the following:

(a) Valid, written documentation from the person’s attending physician stating that:

(1) The person has been diagnosed with a chronic or debilitating medical condition;

(2) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(3) The attending physician has explained the possible risks and benefits of the medical use of marijuana;

(b) The name, address, telephone number, social security number and date of birth of the person;

(c) Proof satisfactory to the Division that the person is a resident of this State;

(d) The name, address and telephone number of the person’s attending physician;

(e) If the person elects to designate a primary caregiver at the time of application:

(1) The name, address, telephone number and social security number of the designated primary caregiver; and

(2) A written, signed statement from the person’s attending physician in which the attending physician approves of the designation of the primary caregiver; and

(f) If the person elects to designate a medical marijuana dispensary at the time of application, the name of the medical marijuana dispensary.

3. The Division or its designee shall issue a registry identification card to a person who is ~~under~~ **at least 10 years of age but less than** 18 years of age **or a letter of approval to a person who is less than 10 years of age** if:

(a) The person submits the materials required pursuant to subsection 2; and
(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement setting forth that:

(1) The attending physician of the person under 18 years of age has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;

(2) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;

(3) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and

(4) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.

4. The form prescribed by the Division to be used by a person applying for a registry identification card **or letter of approval** pursuant to this section must be a form that is in quintuplicate. Upon receipt of an application that is completed and submitted pursuant to this section, the Division shall:

(a) Record on the application the date on which it was received;
(b) Retain one copy of the application for the records of the Division; and
(c) Distribute the other four copies of the application in the following manner:

(1) One copy to the person who submitted the application;
(2) One copy to the applicant's designated primary caregiver, if any;
(3) One copy to the Central Repository for Nevada Records of Criminal History; and
(4) One copy to:

(I) If the attending physician of the applicant is licensed to practice medicine pursuant to the provisions of chapter 630 of NRS, the Board of Medical Examiners; or

(II) If the attending physician of the applicant is licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS, the State Board of Osteopathic Medicine.

➡ The Central Repository for Nevada Records of Criminal History shall report to the Division its findings as to the criminal history, if any, of an applicant within 15 days after receiving a copy of an application pursuant to

subparagraph (3) of paragraph (c). The Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable, shall report to the Division its findings as to the licensure and standing of the applicant's attending physician within 15 days after receiving a copy of an application pursuant to subparagraph (4) of paragraph (c).

5. The Division shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within 30 days after receiving the application. The Division may contact an applicant, the applicant's attending physician and designated primary caregiver, if any, by telephone to determine that the information provided on or accompanying the application is accurate. The Division may deny an application only on the following grounds:

(a) The applicant failed to provide the information required pursuant to subsections 2 and 3 to:

(1) Establish the applicant's chronic or debilitating medical condition; or

(2) Document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with that condition;

(b) The applicant failed to comply with regulations adopted by the Division, including, without limitation, the regulations adopted by the Administrator pursuant to NRS 453A.740;

(c) The Division determines that the information provided by the applicant was falsified;

(d) The Division determines that the attending physician of the applicant is not licensed to practice medicine or osteopathic medicine in this State or is not in good standing, as reported by the Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable;

(e) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has been convicted of knowingly or intentionally selling a controlled substance;

(f) The Division has prohibited the applicant from obtaining or using a registry identification card **or letter of approval** pursuant to subsection 2 of NRS 453A.300;

(g) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has had a registry identification card **or letter of approval** revoked pursuant to NRS 453A.225; or

(h) In the case of a person under 18 years of age, the custodial parent or legal guardian with responsibility for health care decisions for the person has not signed the written statement required pursuant to paragraph (b) of subsection 3.

6. The decision of the Division to deny an application for a registry identification card **or letter of approval** is a final decision for the purposes of judicial review. Only the person whose application has been denied or, in the case of a person under 18 years of age whose application has been denied, the person's parent or legal guardian, has standing to contest the determination of the Division. A judicial review authorized pursuant to this subsection must be

limited to a determination of whether the denial was arbitrary, capricious or otherwise characterized by an abuse of discretion and must be conducted in accordance with the procedures set forth in chapter 233B of NRS for reviewing a final decision of an agency.

7. A person whose application has been denied may not reapply for 6 months after the date of the denial, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

8. Except as otherwise provided in this subsection, if a person has applied for a registry identification card **or letter of approval** pursuant to this section and the Division has not yet approved or denied the application, the person, and the person's designated primary caregiver, if any, shall be deemed to hold a registry identification card **or letter of approval** upon the presentation to a law enforcement officer of the copy of the application provided to him or her pursuant to subsection 4.

9. As used in this section, "resident" has the meaning ascribed to it in NRS 483.141.

Sec. 18. NRS 453A.220 is hereby amended to read as follows:

453A.220 1. If the Division approves an application pursuant to subsection 5 of NRS 453A.210, the Division or its designee shall, as soon as practicable after the Division approves the application:

(a) Issue a **letter of approval or** serially numbered registry identification card, **as applicable**, to the applicant; and

(b) If the applicant has designated a primary caregiver, issue a serially numbered registry identification card to the designated primary caregiver.

2. A registry identification card issued pursuant to paragraph (a) of subsection 1 must set forth:

(a) The name, address, photograph and date of birth of the applicant;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant's designated primary caregiver, if any;

(d) The name of the applicant's designated medical marijuana dispensary, if any;

(e) Whether the applicant is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and

(f) Any other information prescribed by regulation of the Division.

3. **A letter of approval issued pursuant to paragraph (a) of subsection 1 must set forth:**

(a) The name, address and date of birth of the applicant;

(b) The date of issuance and date of expiration of the registry identification card of the designated primary caregiver;

(c) The name and address of the applicant's designated primary caregiver;

(d) The name of the applicant's designated medical marijuana dispensary, if any; and

(e) Any other information prescribed by regulation of the Division.

4. A registry identification card issued pursuant to paragraph (b) of subsection 1 must set forth:

- (a) The name, address and photograph of the designated primary caregiver;
- (b) The date of issuance and date of expiration of the registry identification card;
- (c) The name and address of the applicant for whom the person is the designated primary caregiver;
- (d) The name of the designated primary caregiver's designated medical marijuana dispensary, if any;
- (e) Whether the designated primary caregiver is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and
- (f) Any other information prescribed by regulation of the Division.

~~4.1~~ 5. Except as otherwise provided in NRS 453A.225, subsection 3 of NRS 453A.230 and subsection 2 of NRS 453A.300, a registry identification card **or letter of approval** issued pursuant to this section is valid for a period of 1 year and may be renewed in accordance with regulations adopted by the Division.

Sec. 19. NRS 453A.225 is hereby amended to read as follows:

453A.225 1. If, at any time after the Division or its designee has issued a registry identification card **or letter of approval** to a person pursuant to paragraph (a) of subsection 1 of NRS 453A.220, the Division determines, on the basis of official documents or records or other credible evidence, that the person:

(a) Provided falsified information on his or her application to the Division or its designee, as described in paragraph (c) of subsection 5 of NRS 453A.210; or

(b) Has been convicted of knowingly or intentionally selling a controlled substance, as described in paragraph (e) of subsection 5 of NRS 453A.210, ➡ the Division shall immediately revoke the registry identification card **or letter of approval** issued to that person and shall immediately revoke the registry identification card issued to that person's designated primary caregiver, if any.

2. If, at any time after the Division or its designee has issued a registry identification card to a person pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250, the Division determines, on the basis of official documents or records or other credible evidence, that the person has been convicted of knowingly or intentionally selling a controlled substance, as described in paragraph (e) of subsection 5 of NRS 453A.210, the Division shall immediately revoke the registry identification card issued to that person.

3. Upon the revocation of a registry identification card **or letter of approval** pursuant to this section:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card **or letter of approval** has been revoked, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card **or letter of approval** to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

4. The decision of the Division to revoke a registry identification card **or letter of approval** pursuant to this section is a final decision for the purposes of judicial review.

5. A person whose registry identification card **or letter of approval** has been revoked pursuant to this section may not reapply for a registry identification card **or letter of approval** pursuant to NRS 453A.210 for 12 months after the date of the revocation, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

Sec. 20. NRS 453A.230 is hereby amended to read as follows:

453A.230 1. A person to whom the Division or its designee has issued a registry identification card **or letter of approval** pursuant to paragraph (a) of subsection 1 of NRS 453A.220 shall, in accordance with regulations adopted by the Division:

(a) Notify the Division of any change in the person's name, address, telephone number, designated medical marijuana dispensary, attending physician or designated primary caregiver, if any; and

(b) Submit annually to the Division:

(1) Updated written documentation from the person's attending physician in which the attending physician sets forth that:

(I) The person continues to suffer from a chronic or debilitating medical condition;

(II) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(III) The attending physician has explained to the person the possible risks and benefits of the medical use of marijuana; and

(2) If the person elects to designate a primary caregiver for the subsequent year and the primary caregiver so designated was not the person's designated primary caregiver during the previous year:

(I) The name, address, telephone number and social security number of the designated primary caregiver; and

(II) A written, signed statement from the person's attending physician in which the attending physician approves of the designation of the primary caregiver.

2. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250 shall, in accordance with regulations adopted by the Division, notify the Division of any change in the person's name, address, telephone number, designated medical marijuana dispensary or the identity of the person for whom he or she acts as designated primary caregiver.

3. If a person fails to comply with the provisions of subsection 1 or 2, the registry identification card **or letter of approval** issued to the person shall be deemed expired. If the registry identification card **or letter of approval** of a person to whom the Division or its designee issued the card **or letter** pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is deemed expired pursuant to this subsection, a registry identification card issued to the person's designated primary caregiver, if any, shall also be deemed expired. Upon the deemed expiration of a registry identification card **or letter of approval** pursuant to this subsection:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card **or letter of approval** has been deemed expired, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card **or letter of approval** to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

Sec. 21. NRS 453A.240 is hereby amended to read as follows:

453A.240 If a person to whom the Division or its designee has issued a registry identification card **or letter of approval** pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is diagnosed by the person's attending physician as no longer having a chronic or debilitating medical condition, the person **shall return his or her registry identification card or letter of approval** and his or her designated primary caregiver, if any, shall return ~~their~~ **his or her** registry identification ~~cards~~ **card** to the Division within 7 days after notification of the diagnosis.

Sec. 22. NRS 453A.250 is hereby amended to read as follows:

453A.250 1. If a person who applies to the Division for a registry identification card **or letter of approval** or to whom the Division or its designee has issued a registry identification card **or letter of approval** pursuant to paragraph (a) of subsection 1 of NRS 453A.220 desires **or is required** to designate a primary caregiver, the person must:

(a) To designate a primary caregiver at the time of application, submit to the Division the information required pursuant to paragraph (e) of subsection 2 of NRS 453A.210; or

(b) To designate a primary caregiver after the Division or its designee has issued a registry identification card **or letter of approval** to the person, submit to the Division the information required pursuant to subparagraph (2) of paragraph (b) of subsection 1 of NRS 453A.230.

2. A person may have only one designated primary caregiver at any one time.

3. If a person designates a primary caregiver after the time that the person initially applies for a registry identification card ~~or~~ **or letter of approval**, the Division or its designee shall, except as otherwise provided in subsection 5 of NRS 453A.210, issue a registry identification card to the designated primary

caregiver as soon as practicable after receiving the information submitted pursuant to paragraph (b) of subsection 1.

Sec. 23. NRS 453A.300 is hereby amended to read as follows:

453A.300 1. A person who holds a registry identification card **or letter of approval** issued to him or her pursuant to NRS 453A.220 or 453A.250 is not exempt from state prosecution for, nor may the person establish an affirmative defense to charges arising from, any of the following acts:

(a) Driving, operating or being in actual physical control of a vehicle or a vessel under power or sail while under the influence of marijuana.

(b) Engaging in any other conduct prohibited by NRS 484C.110, 484C.120, 484C.130, 484C.430, subsection 2 of NRS 488.400, NRS 488.410, 488.420, 488.425 or 493.130.

(c) Possessing a firearm in violation of paragraph (b) of subsection 1 of NRS 202.257.

(d) Possessing marijuana in violation of NRS 453.336 or possessing paraphernalia in violation of NRS 453.560 or 453.566 ~~1-11~~:

(1) ~~If~~ the possession of the marijuana or paraphernalia is discovered because the person engaged or assisted in the medical use of marijuana in:

~~1-11~~ **(I)** Any public place or in any place open to the public or exposed to public view; or

~~2-11~~ **(II)** Any local detention facility, county jail, state prison, reformatory or other correctional facility, including, without limitation, any facility for the detention of juvenile offenders ~~1-11~~; **or**

(2) If the possession of the marijuana or paraphernalia occurs on school property.

(e) Delivering marijuana to another person who he or she knows does not lawfully hold a registry identification card **or letter of approval** issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

(f) Delivering marijuana for consideration to any person, regardless of whether the recipient lawfully holds a registry identification card **or letter of approval** issued by the Division or its designee pursuant to NRS 453A.220 or 453A.250.

2. Except as otherwise provided in NRS 453A.225 and in addition to any other penalty provided by law, if the Division determines that a person has willfully violated a provision of this chapter or any regulation adopted by the Division to carry out the provisions of this chapter, the Division may, at its own discretion, prohibit the person from obtaining or using a registry identification card **or letter of approval** for a period of up to 6 months.

3. As used in this section, “school property” means the grounds of any public school described in NRS 388.020 and any private school as defined in NRS 394.103.

Sec. 24. NRS 453A.310 is hereby amended to read as follows:

453A.310 1. Except as otherwise provided in this section and NRS 453A.300, it is an affirmative defense to a criminal charge of possession, delivery or production of marijuana, or any other criminal offense in which

possession, delivery or production of marijuana is an element, that the person charged with the offense:

(a) Is a person who:

(1) Has been diagnosed with a chronic or debilitating medical condition within the 12-month period preceding his or her arrest and has been advised by his or her attending physician that the medical use of marijuana may mitigate the symptoms or effects of that chronic or debilitating medical condition;

(2) Is engaged in the medical use of marijuana; and

(3) Possesses, delivers or produces marijuana only in the amount described in paragraph (b) of subsection 3 of NRS 453A.200 or in excess of that amount if the person proves by a preponderance of the evidence that the greater amount is medically necessary as determined by the person's attending physician to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; or

(b) Is a person who:

(1) Is assisting a person described in paragraph (a) in the medical use of marijuana; and

(2) Possesses, delivers or produces marijuana only in the amount described in paragraph (b) of subsection 3 of NRS 453A.200 or in excess of that amount if the person proves by a preponderance of the evidence that the greater amount is medically necessary as determined by the assisted person's attending physician to mitigate the symptoms or effects of the assisted person's chronic or debilitating medical condition.

2. A person need not hold a registry identification card **or letter of approval** issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250 to assert an affirmative defense described in this section.

3. Except as otherwise provided in this section and in addition to the affirmative defense described in subsection 1, a person engaged or assisting in the medical use of marijuana who is charged with a crime pertaining to the medical use of marijuana is not precluded from:

(a) Asserting a defense of medical necessity; or

(b) Presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition,

↪ if the amount of marijuana at issue is not greater than the amount described in paragraph (b) of subsection 3 of NRS 453A.200 and the person has taken steps to comply substantially with the provisions of this chapter.

4. A defendant who intends to offer an affirmative defense described in this section shall, not less than 5 days before trial or at such other time as the court directs, file and serve upon the prosecuting attorney a written notice of the defendant's intent to claim the affirmative defense. The written notice must:

(a) State specifically why the defendant believes he or she is entitled to assert the affirmative defense; and

(b) Set forth the factual basis for the affirmative defense.

↪ A defendant who fails to provide notice of his or her intent to claim an affirmative defense as required pursuant to this subsection may not assert the affirmative defense at trial unless the court, for good cause shown, orders otherwise.

Sec. 25. NRS 453A.340 is hereby amended to read as follows:

453A.340 The following acts constitute grounds for immediate revocation of a medical marijuana establishment registration certificate:

1. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment, a ~~{patient}~~ **person** who holds a valid registry identification card ~~for the~~ , **including, without limitation, a** designated primary caregiver . ~~{of such a patient.}~~

2. Acquiring usable marijuana or mature marijuana plants from any person other than a medical marijuana establishment agent, another medical marijuana establishment, a ~~{patient}~~ **person** who holds a valid registry identification card ~~for the~~ , **including, without limitation, a** designated primary caregiver . ~~{of such a patient.}~~

3. Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment registration certificate.

Sec. 26. NRS 453A.342 is hereby amended to read as follows:

453A.342 The following acts constitute grounds for the immediate revocation of the medical marijuana establishment agent registration card of a medical marijuana establishment agent:

1. Having committed or committing any excluded felony offense.

2. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment ~~{or a}~~ **or a** ~~{patient}~~ **person** who holds a valid registry identification card ~~for the~~ , **including ,without limitation, a** designated primary caregiver . ~~{of such a patient.}~~

3. Violating a regulation of the Division, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment agent registration card.

Sec. 26.5. NRS 453A.350 is hereby amended to read as follows:

453A.350 **1.** Each medical marijuana establishment must:

~~{1}~~ **(a)** Be located in a separate building or facility that is located in a commercial or industrial zone or overlay;

~~{2}~~ **(b)** Comply with all local ordinances and rules pertaining to zoning, land use and signage;

~~{3}~~ **(c)** Have an appearance, both as to the interior and exterior, that is professional, orderly, dignified and consistent with the traditional style of pharmacies and medical offices; and

~~{4}~~ **(d)** Have discreet and professional signage that is consistent with the traditional style of pharmacies and medical offices.

2. A medical marijuana establishment may move to a new location under the jurisdiction of the same local government as its original location and regardless of the distance from its original location if the operation of the medical marijuana establishment at the new location has been approved by the local government.

Sec. 27. NRS 453A.352 is hereby amended to read as follows:

453A.352 1. The operating documents of a medical marijuana establishment must include procedures:

- (a) For the oversight of the medical marijuana establishment; and
- (b) To ensure accurate recordkeeping, including, without limitation, the provisions of NRS 453A.354 and 453A.356.

2. Except as otherwise provided in this subsection, a medical marijuana establishment:

(a) That is a medical marijuana dispensary must have a single entrance for patrons, which must be secure, and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

(b) That is not a medical marijuana dispensary must have a single secure entrance and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

➡ The provisions of this subsection do not supersede any state or local requirements relating to minimum numbers of points of entry or exit, or any state or local requirements relating to fire safety.

3. A medical marijuana establishment is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to:

(a) Directly or indirectly assist patients who possess valid registry identification cards; and

(b) Assist patients who possess valid registry identification cards **or letters of approval** by way of those patients' designated primary caregivers.

➡ For the purposes of this subsection, a person shall be deemed to be a patient who possesses a valid registry identification card **or letter of approval** if he or she qualifies for nonresident reciprocity pursuant to NRS 453A.364.

4. All cultivation or production of marijuana that a cultivation facility carries out or causes to be carried out must take place in an enclosed, locked facility at the physical address provided to the Division during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the cultivation facility, except that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a medical marijuana establishment agent.

5. A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a ~~patient~~ **person** who holds a valid registry identification card, ~~for the~~ , **including, without limitation, a**

designated primary caregiver . ~~[of such a patient.]~~ Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient who holds a valid registry identification card, and the designated primary caregiver of such a patient, ***or the designated primary caregiver of a person who holds a letter of approval*** may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.

6. **A medical marijuana establishment may use a pesticide in the cultivation and production of marijuana, edible marijuana products and marijuana-infused products if the pesticide:**

(a) Is exempt from registration pursuant to 40 C.F.R. § 152.25 or allowed to be used on Crop Group 19, as defined in 40 C.F.R. § 180.41(c)26, hops or unspecified crops or plants;

(b) Has affixed a label which allows the pesticide to be used at the intended site of application; and

(c) Has affixed a label which allows the pesticide to be used on crops and plants intended for human consumption.

7. **The State Department of Agriculture shall, in accordance with the provisions of subsection 1 and NRS 586.010 to 586.450, inclusive, establish and publish a list of pesticides allowed to be used on medical marijuana pursuant to this section and accept requests from pesticide manufacturers and medical marijuana establishments, or a representative thereof, to add pesticides to the list.**

8. A medical marijuana establishment shall not allow any person to consume marijuana on the property or premises of the establishment.

~~{7}~~ 9. Medical marijuana establishments are subject to reasonable inspection by the Division at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the Division of the establishment.

Sec. 27.5. NRS 453A.362 is hereby amended to read as follows:

453A.362 1. At each medical marijuana establishment, medical marijuana must be stored only in an enclosed, locked facility.

2. Except as otherwise provided in subsection 3, at each medical marijuana dispensary, medical marijuana must be stored in a secure, locked device, display case, cabinet or room within the enclosed, locked facility. The secure, locked device, display case, cabinet or room must be protected by a lock or locking mechanism that meets at least the security rating established by Underwriters Laboratories for key locks.

3. At a medical marijuana dispensary, medical marijuana may be removed from the secure setting described in subsection 2:

(a) Only for the purpose of dispensing the marijuana;

(b) Only immediately before the marijuana is dispensed; and

(c) Only by a medical marijuana establishment agent who is employed by or volunteers at the dispensary.

4. A medical marijuana establishment may:

(a) Transport medical marijuana to another medical marijuana establishment or between the buildings of the medical marijuana establishment; and

(b) Enter into a contract with a third party to transport medical marijuana to another medical marijuana establishment or between the buildings of the medical marijuana establishment.

Sec. 28. NRS 453A.364 is hereby amended to read as follows:

453A.364 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and

(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, "nonresident card" means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card ~~that~~ **or letter of approval**, as determined by the Division.

Sec. 29. NRS 453A.366 is hereby amended to read as follows:

453A.366 1. A patient who holds a valid registry identification card **or letter of approval** and his or her designated primary caregiver, if any, may select one medical marijuana dispensary to serve as his or her designated medical marijuana dispensary at any one time.

2. A patient who designates a medical marijuana dispensary as described in subsection 1:

(a) Shall communicate the designation to the Division within the time specified by the Division.

(b) May change his or her designation not more than once in a 30-day period.

Sec. 29.5. NRS 453A.368 is hereby amended to read as follows:

453A.368 1. The Division shall establish standards for and certify one or more private and independent testing laboratories to test marijuana, edible marijuana products and marijuana-infused products that are to be sold in this State.

2. Such an independent testing laboratory must be able to determine accurately, with respect to marijuana, edible marijuana products and marijuana-infused products that are sold or will be sold at medical marijuana dispensaries in this State:

(a) The concentration therein of THC and cannabidiol.

(b) ~~Whether the tested material is organic or non-organic.~~

~~(c) The presence and identification of molds and fungus.~~

~~(d) (c) The [presence and concentration of fertilizers and other nutrients.]~~
composition of the tested material.

(d) The presence of chemicals in the tested material, including, without limitation, pesticides, herbicides or growth regulators.

3. To obtain certification by the Division on behalf of an independent testing laboratory, an applicant must:

(a) Apply successfully as required pursuant to NRS 453A.322.

(b) Pay the fees required pursuant to NRS 453A.344.

Sec. 30. NRS 453A.370 is hereby amended to read as follows:

453A.370 The Division shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards ~~and~~ **and letters of approval.**

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the Division.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the Division if a patient who holds a valid registry identification card **or letter of approval** has chosen the dispensary as his or her designated medical marijuana dispensary, as described in NRS 453A.366.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 453A.344 may be reduced over time:

(a) To ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral; and

(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, ~~for the~~ **including, without limitation, a** designated primary caregiver, ~~for such a person,~~ in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

5. As far as possible while maintaining accountability, protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with this chapter.

6. In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine, establish a system to:

(a) Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;

(b) Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the Division and Board determine and agree to be unreasonably high.

7. Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer.

8. Provide for the maintenance of a log by the Division of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200. The Division shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

9. Address such other matters as may assist in implementing the program of dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

Sec. 31. NRS 453A.400 is hereby amended to read as follows:

453A.400 1. The fact that a person possesses a registry identification card **or letter of approval** issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250, a medical marijuana establishment registration certificate issued to the person by the Division or its designee pursuant to NRS 453A.322 or a medical marijuana establishment agent registration card issued to the person by the Division or its designee pursuant to NRS 453A.332 does not, alone:

(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize marijuana, paraphernalia or other related property from a person engaged in, facilitating or assisting in the medical use of marijuana:

(a) The law enforcement agency shall ensure that the marijuana, paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the marijuana, paraphernalia or other related property was seized must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) ~~Upon a determination by the district attorney of the county in which the marijuana, paraphernalia or other related property was seized, or the district attorney's designee, that the person from whom the marijuana, paraphernalia or other related property was seized is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter, the~~ :

~~(1) A decision not to prosecute;~~

~~(2) The dismissal of charges; or~~

~~(3) Acquittal,~~

↪ **the law enforcement agency shall immediately, to the extent permitted by law,** return to that person any usable marijuana, marijuana plants, paraphernalia or other related property that was seized.

~~↪~~ The provisions of this subsection do not require a law enforcement agency to care for live marijuana plants.

~~[3.—For the purposes of paragraph (c) of subsection 2, the determination of a district attorney or the district attorney's designee that a person is engaging in or assisting in the medical use of marijuana in accordance with the provisions of this chapter shall be deemed to be evidenced by:~~

~~—(a) A decision not to prosecute;~~

~~—(b) The dismissal of charges; or~~

~~—(c) Acquittal.]~~

Sec. 32. NRS 453A.500 is hereby amended to read as follows:

453A.500 The Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable, shall not take any disciplinary action against an attending physician on the basis that the attending physician:

1. Advised a person whom the attending physician has diagnosed as having a chronic or debilitating medical condition, or a person whom the attending physician knows has been so diagnosed by another physician licensed to practice medicine pursuant to the provisions of chapter 630 of NRS or licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS:

(a) About the possible risks and benefits of the medical use of marijuana; or
(b) That the medical use of marijuana may mitigate the symptoms or effects of the person's chronic or debilitating medical condition,

↪ if the advice is based on the attending physician's personal assessment of the person's medical history and current medical condition.

2. Provided the written documentation required pursuant to paragraph (a) of subsection 2 of NRS 453A.210 for the issuance of a registry identification card **or letter of approval** or pursuant to subparagraph (1) of paragraph (b) of subsection 1 of NRS 453A.230 for the renewal of a registry identification card ~~{}~~ **or letter of approval** if:

(a) Such documentation is based on the attending physician's personal assessment of the person's medical history and current medical condition; and

(b) The physician has advised the person about the possible risks and benefits of the medical use of marijuana.

Sec. 33. NRS 453A.510 is hereby amended to read as follows:

453A.510 A professional licensing board shall not take any disciplinary action against a person licensed by the board on the basis that:

1. The person engages in or has engaged in the medical use of marijuana in accordance with the provisions of this chapter; or

2. The person acts as or has acted as the designated primary caregiver of a person who holds a registry identification card **or letter of approval** issued to him or her pursuant to paragraph (a) of subsection 1 of NRS 453A.220.

Sec. 34. NRS 453A.700 is hereby amended to read as follows:

453A.700 1. Except as otherwise provided in this section, NRS 239.0115 and subsection 4 of NRS 453A.210, the Division ~~{and any designee of the Division shall maintain the confidentiality of and}~~ shall not disclose:

(a) The contents of any ~~{applications, records or other written documentation that}~~ **tool used by** the Division ~~{for its designee creates or receives pursuant to the provisions of this chapter; or}~~ **to evaluate an applicant or its affiliate.**

(b) **Any information, documents or communications provided to the Division by an applicant or its affiliate pursuant to the provisions of this chapter, without the prior written consent of the applicant or affiliate or**

pursuant to a lawful court order after timely notice of the proceedings has been given to the applicant or affiliate.

(c) The name or any other identifying information of:

(1) An attending physician; or

(2) A person who has applied for or to whom the Division or its designee has issued a registry identification card ~~or~~ **or letter of approval.**

➔ Except as otherwise provided in NRS 239.0115, the items of information described in this subsection are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the Division or its designee may release the name and other identifying information of a person to whom the Division or its designee has issued a registry identification card **or letter of approval** to:

(a) Authorized employees of the Division or its designee as necessary to perform official duties of the Division; and

(b) Authorized employees of state and local law enforcement agencies, only as necessary to verify that a person is the lawful holder of a registry identification card **or letter of approval** issued to him or her pursuant to NRS 453A.220 or 453A.250.

Sec. 35. NRS 453A.740 is hereby amended to read as follows:

453A.740 The Administrator of the Division shall adopt such regulations as the Administrator determines are necessary to carry out the provisions of this chapter. The regulations must set forth, without limitation:

1. Procedures pursuant to which the Division will ~~or~~ **issue a registry identification card or letter of approval or**, in cooperation with the Department of Motor Vehicles, cause a registry identification card to be prepared and issued to a qualified person as a type of identification card described in NRS 483.810 to 483.890, inclusive. The procedures described in this subsection must provide that the Division will:

(a) Issue a registry identification card **or letter of approval** to a qualified person ; ~~after the card has been prepared by the Department of Motor Vehicles;~~ or

(b) Designate the Department of Motor Vehicles to issue a registry identification card to a person if:

(1) The person presents to the Department of Motor Vehicles valid documentation issued by the Division indicating that the Division has approved the issuance of a registry identification card to the person; and

(2) The Department of Motor Vehicles, before issuing the registry identification card, confirms by telephone or other reliable means that the Division has approved the issuance of a registry identification card to the person.

2. ***That if the Division issues a registry identification card pursuant to subsection 1, the Division may charge and collect any fee authorized for the issuance of an identification card described in NRS 483.810 to 483.890, inclusive.***

3. Fees for:

(a) Providing to an applicant an application for a registry identification card ~~or~~ **or letter of approval**, which fee must not exceed \$25; and

(b) Processing and issuing a registry identification card ~~or~~ **or letter of approval**, which fee must not exceed \$75.

Sec. 36. NRS 453A.800 is hereby amended to read as follows:

453A.800 The provisions of this chapter do not:

1. Require an insurer, organization for managed care or any person or entity who provides coverage for a medical or health care service to pay for or reimburse a person for costs associated with the medical use of marijuana.

2. Require any employer to allow the medical use of marijuana in the workplace.

3. ~~Require~~ **Except as otherwise provided in subsection 4, require** an employer to modify the job or working conditions of a person who engages in the medical use of marijuana that are based upon the reasonable business purposes of the employer but the employer must attempt to make reasonable accommodations for the medical needs of an employee who engages in the medical use of marijuana if the employee holds a valid registry identification card, provided that such reasonable accommodation would not:

(a) Pose a threat of harm or danger to persons or property or impose an undue hardship on the employer; or

(b) Prohibit the employee from fulfilling any and all of his or her job responsibilities.

4. Prohibit a law enforcement agency from adopting policies and procedures that preclude an employee from engaging in the medical use of marijuana.

5. *As used in this section, "law enforcement agency" means:*

(a) The Office of the Attorney General, the office of a district attorney within this State or the State Gaming Control Board and any attorney, investigator, special investigator or employee who is acting in his or her professional or occupational capacity for such an office or the State Gaming Control Board; or

(b) Any other law enforcement agency within this State and any peace officer or employee who is acting in his or her professional or occupational capacity for such an agency.

Sec. 36.3. Section 26 of chapter 374, Statutes of Nevada 2013, at page 3729, is hereby amended to read as follows:

Sec. 26. 1. This section and section 25.5 of this act become effective upon passage and approval.

2. Sections 1 to 22, inclusive, 22.35 to 24.7, inclusive, and 25 of this act become effective upon passage and approval for the purpose of adopting regulations and carrying out other preparatory administrative acts, and on April 1, 2014, for all other purposes.

3. Sections 22.3 and 24.9 of this act become effective on April 1, ~~2016,~~ **2018.**

4. Sections 14 and 15 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

↪ are repealed by the Congress of the United States.

Sec. 36.7. 1. The provisions of any regulation adopted by the Division of Public and Behavioral Health of the Department of Health and Human Services which conflict with the provisions of NRS 453A.350 or 453A.352, as amended by sections 26.5 and 27 of this act, are void and must not be given effect to the extent of the conflict.

2. The Division of Public and Behavioral Health shall amend or repeal any of its existing regulations that conflict or are inconsistent with the provisions of NRS 453A.350 and 453A.352, as amended by sections 26.5 and 27 of this act, as soon as practicable after July 1, 2015.

Sec. 37. This act becomes effective on July 1, 2015.

Assemblyman Hansen moved the adoption of the amendment.

Remarks by Assemblyman Hansen.

ASSEMBLYMAN HANSEN:

This amendment allows the State Department of Agriculture and the Division of Public and Behavioral Health to enter into an interlocal agreement. It allows legal immunity for certain agency employees handling cannabis for testing and pesticide regulation and clarifies laboratory testing of marijuana. It also requires the Nevada Department of Agriculture to create a list of pesticides that are allowed to be used on marijuana pursuant to the criteria established in the bill. It allows the use of certain pesticides.

It defines “marijuana distributor” and requires a license for such a distributor. It allows a medical marijuana establishment to move to a new location under the jurisdiction of the same local government, under certain circumstances. Lastly, it changes the date of implementation of a Division of Public and Behavioral Health program to computer cross-check between the State of Nevada and other jurisdictions from April 1, 2016, to April 1, 2018.

Amendment adopted.

Bill ordered reprinted, reengrossed and to third reading.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the Speaker and Chief Clerk signed Senate Bills Nos. 70, 112, 231, 232, 242, 288; Senate Concurrent Resolution No. 2.

GUESTS EXTENDED PRIVILEGE OF ASSEMBLY FLOOR

On request of Assemblywoman Benitez-Thompson, the privilege of the floor of the Assembly Chamber for this day was extended to the following students, chaperones, and teachers from Hunter Lake Elementary School: Jamie Allen, Jose De Jesus Almaguer, Anabel Amestoy, Daniel Arden, Kaden Barr, Anthony Braun, Tori Campanaro, Zach Fermoile, Isabela Garcia, Nicholas Greene, Kalli Hall, Daniel Heller, Maddy Lusenhop, Annacy McCombs, Dean Metzger, Kaitlin Nichols, Lizzy Riley, Emily Rivera, Aspen Strouse, Jessica L. Abel, Abrielle F. Amestoy, Chasen J. Binnell, Rennie J. Bounyalath, Vastella Britt, Kristyana K. Davis, Gannyn R. Dunn, Josue J. Gonzalez, Ivan Gutierrez Ramirez, Landen C. Keller, Andie N. Lammel, Aeris A. Noble, Ryan B. Rockefeller, Adriana G. Sanchez Pena, Colton R. Sellers, Kaleiamapuana C. Sieck, Dominic I. Slaughter, Nico L. Vagner, Xuanyi Wang, and Samantha T. Wiley.

On request of Assemblywoman Bustamante Adams, the privilege of the floor of the Assembly Chamber for this day was extended to Chandni Patel.

On request of Assemblyman Jones, the privilege of the floor of the Assembly Chamber for this day was extended to Kiran Hill.

On request of Assemblyman Kirner, the privilege of the floor of the Assembly Chamber for this day was extended to the following students, chaperones, and teachers from Incline Elementary School: Alondra Aguirre-Gomez, Eddie (Angel) Barajas, Isabelle Bloomhuff, Lizbeth Callejas Heredia, Dylan Combs, Kailer Crawford, Milton Cruz-Rivera, Andrew Donahue, Allen Frausto Garcia, Carlos Garcia, J Cruz Garcia Arciga, Rosemary Heffern, Bryan (Tyler) Hoopes, Taylor Kabat, Brianna Kurashewich, Mattison Lampe, Alondra Machuca Escobar, Nicolas Martinez Jimenez, Leslie Martinez Virgen, Emma Midgley, Rebecca Noble, Stephanie Poalillo, Toby Pollard, Madelynn Sharenbrock, Wyatt Shreve, Lena Soli, Brithany Solis-Hernandez, Brody Thralls, Sawyer Tocchetti, Sofia Weahkee, Elbert Zendner, Hacem Zuniga, Thomas Peinado, Samuel Peinado, Falkon Frazier, Erika Frazier, Emma Cates, Gavin Cates, Katelynn Anderson, Tyler Stevens, Pamela Jonovic, Sierra Jonovic, Selah Peery, Cierra Columbus and Alyssa Laxague.

On request of Assemblyman O'Neill, the privilege of the floor of the Assembly Chamber for this day was extended to Bill Miller.

On request of Assemblyman Ohrenschall, the privilege of the floor of the Assembly Chamber for this day was extended to Kermit Waters.

On request of Assemblyman Silberkraus, the privilege of the floor of the Assembly Chamber for this day was extended to Josh Weaver.

On request of Assemblyman Wheeler, the privilege of the floor of the Assembly Chamber for this day was extended to Jennifer Baker, Mikayla Tea, Walt Nowosad, and Brooke Gallaway.

Assemblyman Paul Anderson moved that the Assembly adjourn until Friday, May 22, 2015, at 11:30 a.m.

Motion carried.

Assembly adjourned at 9:41 p.m.

Approved:

JOHN HAMBRICK
Speaker of the Assembly

Attest: SUSAN FURLONG
Chief Clerk of the Assembly