

THE ONE HUNDRED AND FIFTEENTH DAY

CARSON CITY (Wednesday), May 27, 2015

Senate called to order at 10:41 a.m.

President Hutchison presiding.

Roll called.

All present except Senators Segerblom and Smith, who were excused.

Prayer by the Chaplain, Pastor Bruce Henderson.

Psalm 6:3 "My soul is in deep anguish. How long, Lord, how long?"

God, that question is asked 22 times in the Book of Psalms. We ask it today. This has been an arduous task. Pressures have come upon us from within and without. Most of us have been away from home, from profession and from family. Please fill us with peace and hope as we press on. And, when we ask "How long, Lord?" reassure us that You are with us to the end.

We pray longingly but patiently.

AMEN.

Pledge of Allegiance to the Flag.

By previous order of the Senate, the reading of the Journal is dispensed with, and the President and Secretary are authorized to make the necessary corrections and additions.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which were referred Senate Bills Nos. 467, 497, 506, 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 Finance, to which was re-referred Senate Bill No. 128, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BEN KIECKHEFER, *CHAIR*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 26, 2015

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bill No. 161.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 771 to Assembly Bill No. 152; Senate Amendment No. 848 to Assembly Bill No. 166; Senate Amendment No. 965 to Assembly Bill No. 176; Senate Amendment No. 803 to Assembly Bill No. 205; Senate Amendment No. 802 to Assembly Bill No. 206; Senate Amendment No. 769 to Assembly Bill No. 248; Senate Amendment No. 768 to Assembly Bill No. 307; Senate Amendment No. 805 to Assembly Bill No. 321; Senate Amendment No. 780 to Assembly Bill No. 385.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in Senate Amendment No. 767 to Assembly Bill No. 169.

CAROL AIELLO-SALA

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 161.

Senator Kieckhefer moved that the bill be referred to the Committee on Revenue and Economic Development.

Motion carried.

SECOND READING AND AMENDMENT

Senate Bill No. 467.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 922.

SUMMARY—Makes appropriations for the replacement of Nevada Highway Patrol fleet vehicles ~~and motorcycles~~ which have exceeded the mileage threshold. (BDR S-1218)

AN ACT making appropriations from the State Highway Fund to the Nevada Highway Patrol Division of the Department of Public Safety to replace fleet vehicles ~~and motorcycles~~ that have exceeded the mileage threshold; and providing other matters properly relating thereto.

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

Section 1. There is hereby appropriated from the State Highway Fund to the Nevada Highway Patrol Division of the Department of Public Safety:

1. The sum of ~~[\$7,690,412]~~ \$7,679,026 to replace fleet vehicles that have exceeded the mileage threshold; and

2. The sum of \$326,592 to ~~replace~~ purchase fleet motorcycles to replace other types of fleet vehicles that have exceeded the mileage threshold.

Sec. 2. Any remaining balance of the appropriations made by section 1 of this act must not be committed for expenditure after June 30, 2017, by the Nevada Highway Patrol Division of the Department of Public Safety or any entity to which money from the appropriations is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 15, 2017, by either the Nevada Highway Patrol Division of the Department of Public Safety or the entity to which the money was subsequently granted or transferred, and must be reverted to the State Highway Fund on or before September 15, 2017.

Sec. 3. This act becomes effective upon passage and approval.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

This amendment slightly reduces the amount of the supplemental appropriation.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 497.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 982.

SUMMARY—Makes appropriations to restore the balances in the Stale Claims Account, Emergency Account, Reserve for Statutory Contingency Account and Contingency Account. (BDR S-1152)

AN ACT making appropriations to restore the balances in the Stale Claims Account, Emergency Account, Reserve for Statutory Contingency Account and Contingency Account; and providing other matters properly relating thereto.

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

Section 1. There is hereby appropriated from the State General Fund to the:

1. Stale Claims Account created by NRS 353.097 the sum of ~~[\$2,500,000]~~ \$2,000,000 to restore the balance in the Account.

2. Emergency Account created by NRS 353.263 the sum of ~~[\$500,000]~~ \$100,000 to restore the balance in the Account.

3. Reserve for Statutory Contingency Account created by NRS 353.264 the sum of ~~[\$5,000,000]~~ \$2,500,000 to restore the balance in the Account.

4. Contingency Account created by NRS 353.266 the sum of ~~[\$12,000,000]~~ \$9,000,000 to restore the balance in the Account.

Sec. 2. This act becomes effective on July 1, 2015.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

This amendment amends the appropriation amounts in the bill to be consistent with the necessary balances for those accounts.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 506.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 979.

SUMMARY—Revises provisions relating to state financial administration. (BDR S-1207)

AN ACT relating to state financial administration; requiring the transfer of certain money to the State General Fund; revising various provisions relating to the authority for such transfers; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 1-25 of this bill provide for the transfer of money in various accounts and funds for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State. Sections 26-34 of this bill specifically authorize such transfers in provisions in existing law.

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

Section 1. ~~[The State Controller shall transfer the sum of \$400,000 from the Account for the Bureau of Consumer Protection in NRS 228.340 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 2. The State Controller shall transfer the sum of \$19,680,774 from the account created pursuant to paragraph (a) of subsection 1 of NRS 598.0975 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 3. ~~[The State Controller shall transfer the sum of \$2,941,926 from money deposited pursuant to NRS 598A.260 into the Attorney General's Special Fund created by NRS 228.096 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 4. The State Controller shall transfer the sum of ~~[\$410,000]~~ \$300,000 from money deposited in the Secretary of State's Operating General Fund Budget Account pursuant to NRS 90.851 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 5. ~~[The State Controller shall transfer the sum of \$25,000 from the Notary Public Training Account created by NRS 240.018 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 6. The State Controller shall transfer the sum of \$7,000,000 from the Catalyst Account created by NRS 231.1573 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 7. The State Controller shall transfer the sum of \$4,000,000 from the Knowledge Account created by NRS 231.1592 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 8. The State Controller shall transfer the sum of \$2,000,000 from the Disaster Relief Account created by NRS 353.2735 to Budget

Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 9. The State Controller shall transfer the sum of \$1,662,010 from the account created pursuant to subsection 2 of NRS 231.360 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 10. The State Controller shall transfer the sum of ~~[\$426,231]~~ \$573,449 from the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.031 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 11. The State Controller shall transfer the sum of ~~[\$3,000,000]~~ \$4,500,000 from the Grant Fund for Incentives for Licensed Educational Personnel created by NRS 391.166 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 12. The State Controller shall transfer the sum of \$400,000 from the Account for Charter Schools created by NRS 386.576 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 13. The State Controller shall transfer the sum of \$216,260 from the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling created by NRS 458A.090 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 14. ~~[The State Controller shall transfer the sum of \$178,284 from the Supplemental Account for Medical Assistance to Indigent Persons created by NRS 428.305 in the Fund for Hospital Care to Indigent Persons created by NRS 428.175 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 15. ~~[The State Controller shall transfer the sum of \$750,000 from the Division of Public and Behavioral Health of the Department of Health and Human Services — Radiation Control to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 16. The State Controller shall transfer the sum of \$500,000 from the Fund for the Care of Sites for the Disposal of Radioactive Waste created by NRS 459.231 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 17. The State Controller shall transfer the sum of \$45,000 from the Division of Public and Behavioral Health of the Department of Health and Human Services - Behavioral Health Prevention and Treatment to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 18. ~~[The State Controller shall transfer the sum of \$3,050,000 from the Division of Public and Behavioral Health of the Department of Health and Human Services - Health Facilities Hospital Licensing to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.]~~
(Deleted by amendment.)

Sec. 19. The State Controller shall transfer the sum of \$100,000 from the money collected pursuant to paragraph (d) of subsection 1 of NRS 449.163 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 20. ~~[The State Controller shall transfer the sum of \$35,000 from the account created pursuant to NRS 450B.1505 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.]~~ (Deleted by amendment.)

Sec. 21. ~~[The State Controller shall transfer the sum of \$500,000 from the account created pursuant to NRS 453A.730 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.]~~ (Deleted by amendment.)

Sec. 22. ~~[The State Controller shall transfer the sum of \$253,000 from the Fund for New Construction of Facilities for Prison Industries created by NRS 209.192 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.]~~ (Deleted by amendment.)

Sec. 23. The State Controller shall transfer the sum of ~~[\$1,500,000]~~ \$1,100,000 from the Account for the Management of Air Quality created by

NRS 445B.590 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.

Sec. 24. ~~[The State Controller shall transfer the sum of \$8,600,000 from money held in bond reserve funds established pursuant to NRS 319.340 to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 25. ~~[The State Controller shall transfer the sum of \$9,400,000 from the Department of Business and Industry Nevada Home Retention Program to Budget Account 101-9081, Budget Reserve, for unrestricted State General Fund use to offset the difference between projected revenues and collections and to be used only as necessary to meet existing and future obligations of the State.] (Deleted by amendment.)~~

Sec. 26. NRS 90.851 is hereby amended to read as follows:

90.851 1. All money received by the Administrator as the result of an action for the enforcement of the provisions of this chapter must be deposited in the State General Fund for credit to the Secretary of State's Operating General Fund Budget Account.

2. The money deposited in the Account pursuant to this section may be used:

(a) To pay the expenses of the Office of the Secretary of State involved in:

- (1) Investigations by the Office involving securities;
- (2) Actions to enforce the provisions of this chapter; and
- (3) Providing educational programs for the public which are related to the operations of the Office.

(b) For any other purpose, ~~[related to the Office of the Secretary of State,]~~ with the approval of the Legislature or the Interim Finance Committee when the Legislature is not in session.

3. The money deposited in the Account pursuant to this section, including money deposited in excess of the amount authorized by the Legislature, is restricted to the uses specified, and the unexpended balance of that money may be carried forward at the end of each fiscal year.

Sec. 27. NRS 231.250 is hereby amended to read as follows:

231.250 The Fund for the Promotion of Tourism is hereby created as a special revenue Fund. The money in the Fund is hereby appropriated for the support of the Department ~~[]~~ *or for any other purpose authorized by the Legislature.*

Sec. 28. ~~[NRS 319.340 is hereby amended to read as follows:
319.340 1. The Division may establish one or more bond reserve funds, and shall pay into each such bond reserve fund:
(a) Any money appropriated by the Legislature for the purpose of the fund;~~

~~— (b) Any proceeds of sale of notes or bonds to the extent provided in connection with the issuance thereof; and~~

~~— (c) Any other money which may be available to the Division for the purpose of the fund from any other source or sources.~~

~~— All money held in any bond reserve fund, except as otherwise expressly provided in this chapter, must be used, as required, [solely] for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to such bonds, the purchase or redemption of such bonds, the payment of interest on such bonds, [or] the payment of any redemption premium required to be paid when the bonds are redeemed before maturity [...] or any other purpose authorized by the Legislature.~~

~~— 2. Money in such a fund must not be withdrawn from the fund at any time in an amount that would reduce the amount of the fund below the requirement established for that fund, except to pay when due, with respect to bonds secured in whole or in part by that fund, principal, interest, redemption premiums and sinking fund payments for the payment of which other money of the Division is not available. Any income or interest earned by or incremental to any bond reserve fund resulting from the investment thereof may be transferred by the Division to other funds or accounts of the Division and to the Account for Low Income Housing created pursuant to NRS 319.500, to the extent that the amount of that bond reserve fund is not reduced below the requirement for the fund. (Deleted by amendment.)~~

Sec. 29. NRS 386.577 is hereby amended to read as follows:

386.577 1. *Money in the Account for Charter Schools may be expended for the purpose set forth in subsection 2 or for any other purpose authorized by the Legislature.*

2. After deducting the costs directly related to administering the Account for Charter Schools, the State Public Charter School Authority may use the money *available* in the Account for Charter Schools, including repayments of principal and interest on loans made from the Account, and interest and income earned on money in the Account, ~~[only]~~ to make loans at or below market rate to charter schools for the costs incurred:

(a) In preparing a charter school to commence its first year of operation; and

(b) To improve a charter school that has been in operation.

~~{2.}~~ 3. The total amount of a loan that may be made to a charter school pursuant to subsection ~~{1}~~ 2 must not exceed the lesser of an amount equal to \$500 per pupil enrolled or to be enrolled at the charter school or \$200,000.

Sec. 30. NRS 387.031 is hereby amended to read as follows:

387.031 1. The Account for Programs for Innovation and the Prevention of Remediation is hereby created in the State General Fund, to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be

expended in accordance with the terms and conditions of the gift or grant, or in accordance with subsection 2. The interest and income earned on the sum of:

- (a) The money in the Account; and
- (b) Unexpended appropriations made to the Account from the State General Fund,

➔ 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.

2. The money in the Account may only be used for public schools and public education ~~and~~ *or for any other purpose* as authorized by the Legislature.

Sec. 31. 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, 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, 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 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 ~~{-}~~ *or for any other purpose authorized by the Legislature.*

Sec. 32. ~~[NRS 450B.1505 is hereby amended to read as follows:~~

~~450B.1505 1. Any money the Division receives from a fee set by the State Board of Health pursuant to NRS 439.150 for the issuance or renewal of a license pursuant to NRS 450B.160, an administrative penalty imposed pursuant to NRS 450B.900 or an appropriation made by the Legislature for the purposes of training related to emergency medical services:~~

~~(a) Must be deposited in the State Treasury and accounted for separately in the State General Fund;~~

~~(b) May be used only {to}:-~~

~~(1) To carry out a training program for emergency medical services personnel who work for a volunteer ambulance service or firefighting agency, including, without limitation, equipment for use in the training; {and}~~

~~or~~

~~(2) For any other purpose authorized by the Legislature; and~~

~~(c) Does not revert to the State General Fund at the end of any fiscal year.~~

~~2. Any interest or income earned on the money in the account must be credited to the account. Any claims against the account must be paid in the manner that other claims against the State are paid.~~

~~3. The Administrator of the Division shall administer the account.]~~
(Deleted by amendment.)

Sec. 33. ~~[NRS 453A.730 is hereby amended to read as follows:~~

~~453A.730 1. Any money the Administrator of the Division receives pursuant to NRS 453A.720 or that is appropriated to carry out the provisions of this chapter:~~

~~(a) Must be deposited in the State Treasury and accounted for separately in the State General Fund;~~

~~(b) May only be used : {to carry out:}~~

~~(1) {The} To carry out the provisions of this chapter, including the dissemination of information concerning the provisions of this chapter and such other information as determined appropriate by the Administrator; {and}~~

~~(2) {Alcohol} To carry out alcohol and drug abuse programs pursuant to NRS 458.094; {and} or~~

~~(3) For any other purpose authorized by the Legislature; and~~
~~(e) Does not revert to the State General Fund at the end of any fiscal year.~~
~~2. The Administrator of the Division shall administer the account. Any interest or income earned on the money in the account must be credited to the account. Any claims against the account must be paid as other claims against the State are paid.] (Deleted by amendment.)~~

Sec. 34. NRS 598.0975 is hereby amended to read as follows:

598.0975 1. Except as otherwise provided in subsection 3 and in subsection 1 of NRS 598.0999, all fees, civil penalties and any other money collected pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive:

(a) In an action brought by the Attorney General, must be deposited in the State General Fund and may only be used to offset the costs of administering and enforcing the provisions of NRS 598.0903 to 598.0999, inclusive ~~[-], or for any other purpose authorized by the Legislature.~~

(b) In an action brought by the district attorney of a county, must be deposited with the county treasurer of that county and accounted for separately in the county general fund.

2. Money in the account created pursuant to paragraph (b) of subsection 1 must be used by the district attorney of the county for:

(a) The investigation and prosecution of deceptive trade practices against elderly persons or persons with disabilities; and

(b) Programs for the education of consumers which are directed toward elderly persons or persons with disabilities, law enforcement officers, members of the judicial system, persons who provide social services and the general public.

3. The provisions of this section do not apply to:

(a) Criminal fines imposed pursuant to NRS 598.0903 to 598.0999, inclusive; or

(b) Restitution ordered pursuant to NRS 598.0903 to 598.0999, inclusive, in an action brought by the Attorney General. Money collected for restitution ordered in such an action must be deposited by the Attorney General and credited to the appropriate account of the Attorney General for distribution to the person for whom the restitution was ordered.

Sec. 35. This act becomes effective on upon passage and approval.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

This amendment strikes several sections of the sweeps because there was some question over whether or not they were legally feasible. It also amends some of the sweep amounts to be consistent with available funds in the accounts. It also amends some of the sweep amounts to ensure that we are sweeping only funds that are legally viable based on their generation source. This bill is being processed to shore up our ending fund balance for the current fiscal year. I appreciate the Body's consideration.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 128.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 984.

SUMMARY—Revises provisions relating to the Governor Guinn Millennium Scholarship. (BDR 34-06)

AN ACT relating to education; increasing the number of credit hours required for certain students to be eligible for the Governor Guinn Millennium Scholarship; revising the amount of money a student who is eligible for the Governor Guinn Millennium Scholarship may receive per semester; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Governor Guinn Millennium Scholarship Program to provide money to certain students for secondary education and the certain criteria for eligibility for such a scholarship. Such criteria includes a requirement that a student be enrolled in a certain number of credit hours in a community college or other eligible institution. (NRS 396.926, 396.930) Section 1 of this bill increases the number of credit hours in which a community college student must be enrolled in order to be eligible for a Millennium Scholarship from 6 credit hours to 9 credit hours beginning July 1, 2015. Existing law further limits the total amount of money that a student may receive from a Millennium Scholarship to not more than the cost of 12 semester credits per semester and a total amount of not more than \$10,000. (NRS 396.934) Section 3 of this bill increases the amount that such a student may receive from a Millennium Scholarship for a semester to not more than the cost of 15 semester credits per semester but the cumulative maximum amount of money that such a student may receive remains unchanged at \$10,000.

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

Section 1. NRS 396.930 is hereby amended to read as follows:

396.930 1. Except as otherwise provided in subsections 2 and 3, a student may apply to the Board of Regents for a Millennium Scholarship if the student:

(a) Except as otherwise provided in paragraph (e) of subsection 2, has been a resident of this State for at least 2 years before the student applies for the Millennium Scholarship;

(b) Except as otherwise provided in paragraph (c), graduated from a public or private high school in this State:

(1) After May 1, 2000, but not later than May 1, 2003; or

(2) After May 1, 2003, and, except as otherwise provided in paragraphs (c), (d) and (f) of subsection 2, not more than 6 years before the student applies for the Millennium Scholarship;

(c) Does not satisfy the requirements of paragraph (b) and:

(1) Was enrolled as a pupil in a public or private high school in this State with a class of pupils who were regularly scheduled to graduate after May 1, 2000;

(2) Received his or her high school diploma within 4 years after he or she was regularly scheduled to graduate; and

(3) Applies for the Millennium Scholarship not more than 6 years after he or she was regularly scheduled to graduate from high school;

(d) Maintained in high school in the courses designated by the Board of Regents pursuant to paragraph (b) of subsection 2, at least:

(1) A 3.00 grade point average on a 4.0 grading scale, if the student was a member of the graduating class of 2003 or 2004;

(2) A 3.10 grade point average on a 4.0 grading scale, if the student was a member of the graduating class of 2005 or 2006; or

(3) A 3.25 grade point average on a 4.0 grading scale, if the student was a member of the graduating class of 2007 or a later graduating class; and

(e) Is enrolled in at least:

(1) ~~Six~~ *Nine* semester credit hours in a community college within the System;

(2) Twelve semester credit hours in another eligible institution; or

(3) A total of 12 or more semester credit hours in eligible institutions if the student is enrolled in more than one eligible institution.

2. The Board of Regents:

(a) Shall define the core curriculum that a student must complete in high school to be eligible for a Millennium Scholarship.

(b) Shall designate the courses in which a student must earn the minimum grade point averages set forth in paragraph (d) of subsection 1.

(c) May establish criteria with respect to students who have been on active duty serving in the Armed Forces of the United States to exempt such students from the 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1.

(d) Shall establish criteria with respect to students who have a documented physical or mental disability or who were previously subject to an individualized education program under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., or a plan under Title V of the Rehabilitation Act of 1973, 29 U.S.C. §§ 791 et seq. The criteria must provide an exemption for those students from:

(1) The 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1 and subparagraph (3) of paragraph (c) of subsection 1 and any limitation applicable to students who are eligible pursuant to subparagraph (1) of paragraph (b) of subsection 1.

(2) The minimum number of credits prescribed in paragraph (e) of subsection 1.

(e) Shall establish criteria with respect to students who have a parent or legal guardian on active duty in the Armed Forces of the United States to

exempt such students from the residency requirement set forth in paragraph (a) of subsection 1 or subsection 3.

(f) Shall establish criteria with respect to students who have been actively serving or participating in a charitable, religious or public service assignment or mission to exempt such students from the 6-year limitation on applications that is set forth in subparagraph (2) of paragraph (b) of subsection 1. Such criteria must provide for the award of Millennium Scholarships to those students who qualify for the exemption and who otherwise meet the eligibility criteria to the extent that money is available to award Millennium Scholarships to the students after all other obligations for the award of Millennium Scholarships for the current school year have been satisfied.

3. Except as otherwise provided in paragraph (c) of subsection 1, for students who did not graduate from a public or private high school in this State and who, except as otherwise provided in paragraph (e) of subsection 2, have been residents of this State for at least 2 years, the Board of Regents shall establish:

(a) The minimum score on a standardized test that such students must receive; or

(b) Other criteria that students must meet,
→ to be eligible for Millennium Scholarships.

4. In awarding Millennium Scholarships, the Board of Regents shall enhance its outreach to students who:

(a) Are pursuing a career in education or health care;

(b) Come from families who lack sufficient financial resources to pay for the costs of sending their children to an eligible institution; or

(c) Substantially participated in an antismoking, antidrug or antialcohol program during high school.

5. The Board of Regents shall establish a procedure by which an applicant for a Millennium Scholarship is required to execute an affidavit declaring the applicant's eligibility for a Millennium Scholarship pursuant to the requirements of this section. The affidavit must include a declaration that the applicant is a citizen of the United States or has lawful immigration status, or that the applicant has filed an application to legalize the applicant's immigration status or will file an application to legalize his or her immigration status as soon as he or she is eligible to do so.

Sec. 2. (Deleted by amendment.)

Sec. 3. NRS 396.934 is hereby amended to read as follows:

396.934 1. Except as otherwise provided in this section, within the limits of money available in the Trust Fund, a student who is eligible for a Millennium Scholarship is entitled to receive:

(a) If he or she is enrolled in a community college within the System, including, without limitation, a summer academic term, \$40 per credit for each lower division course and \$60 per credit for each upper division course in which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the community college that are not

otherwise satisfied by other grants or scholarships, whichever is less. The Board of Regents shall provide for the designation of upper and lower division courses for the purposes of this paragraph.

(b) If he or she is enrolled in a state college within the System, including, without limitation, a summer academic term, \$60 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the state college that are not otherwise satisfied by other grants or scholarships, whichever is less.

(c) If he or she is enrolled in another eligible institution, including, without limitation, a summer academic term, \$80 per credit for which the student is enrolled, or the amount of money that is necessary for the student to pay the costs of attending the university that are not otherwise satisfied by other grants or scholarships, whichever is less.

(d) If he or she is enrolled in more than one eligible institution, including, without limitation, a summer academic term, the amount authorized pursuant to paragraph (a), (b) or (c), or a combination thereof, in accordance with procedures and guidelines established by the Board of Regents.

➡ In no event may a student who is eligible for a Millennium Scholarship receive more than the cost of ~~{12}~~ 15 semester credits per semester pursuant to this subsection.

2. No student may be awarded a Millennium Scholarship:

(a) To pay for remedial courses.

(b) For a total amount in excess of \$10,000.

3. A student who receives a Millennium Scholarship shall:

(a) Make satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection 8; and

(b) If the student graduated from high school after May 1, 2003, maintain:

(1) At least a 2.60 grade point average on a 4.0 grading scale for each semester during the first year of enrollment in the Governor Guinn Millennium Scholarship Program.

(2) At least a 2.75 grade point average on a 4.0 grading scale for each semester during the second year of enrollment in the Governor Guinn Millennium Scholarship Program and for each semester during each year of enrollment thereafter.

4. A student who receives a Millennium Scholarship is encouraged to volunteer at least 20 hours of community service for this State, a political subdivision of this State or a charitable organization that provides service to a community or the residents of a community in this State during each year in which the student receives a Millennium Scholarship.

5. If a student does not satisfy the requirements of subsection 3 during one semester of enrollment, excluding a summer academic term, he or she is not eligible for the Millennium Scholarship for the succeeding semester of enrollment. If such a student:

(a) Subsequently satisfies the requirements of subsection 3 in a semester in which he or she is not eligible for the Millennium Scholarship, the student is eligible for the Millennium Scholarship for the student's next semester of enrollment.

(b) Fails a second time to satisfy the requirements of subsection 3 during any subsequent semester, excluding a summer academic term, the student is no longer eligible for a Millennium Scholarship.

6. A Millennium Scholarship must be used only:

(a) For the payment of registration fees and laboratory fees and expenses;
(b) To purchase required textbooks and course materials; and
(c) For other costs related to the attendance of the student at the eligible institution.

7. The Board of Regents shall certify a list of eligible students to the State Treasurer. The State Treasurer shall disburse a Millennium Scholarship for each semester on behalf of an eligible student directly to the eligible institution in which the student is enrolled, upon certification from the eligible institution of the number of credits for which the student is enrolled, which must meet or exceed the minimum number of credits required for eligibility and certification that the student is in good standing and making satisfactory academic progress toward a recognized degree or certificate, as determined by the Board of Regents pursuant to subsection 8. The Millennium Scholarship must be administered by the eligible institution as other similar scholarships are administered and may be used only for the expenditures authorized pursuant to subsection 6. If a student is enrolled in more than one eligible institution, the Millennium Scholarship must be administered by the eligible institution at which the student is enrolled in a program of study leading to a recognized degree or certificate.

8. The Board of Regents shall establish:

(a) Criteria for determining whether a student is making satisfactory academic progress toward a recognized degree or certificate for purposes of subsection 7.

(b) Procedures to ensure that all money from a Millennium Scholarship awarded to a student that is refunded in whole or in part for any reason is refunded to the Trust Fund and not the student.

(c) Procedures and guidelines for the administration of a Millennium Scholarship for students who are enrolled in more than one eligible institution.

Sec. 4. This act becomes effective on July 1, 2015.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

The amendment adds Assemblyman Kirner as a sponsor of the bill.

Amendment adopted.

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

MOTIONS, RESOLUTIONS AND NOTICES

Senator Roberson moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 511, with Senator Roberson as Chair and Senator Harris as Vice Chair.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 10:59 a.m.

Senator Roberson presiding.

Senate Bill No. 511 considered.

The Committee of the Whole was addressed by Senator Roberson; Senator Harris; Dale Erquiaga, Superintendent of Public Instruction, Nevada Department of Education; Brian Mitchell, Education Fellow, Office of the Governor; Mike Willden, Chief of Staff, Office of the Governor; Senator Hammond; Senator Hardy; Senator Manendo; Senator Denis; Senator Kieckhefer; Senator Brower; Senator Farley; Senator Spearman; Daniel J. Klaich, Chancellor, Nevada System of Higher Education; Kim K. Metcalf, Ph.D., Dean, College of Education, University of Nevada, Las Vegas; Seth Rau, Policy Director, Nevada Succeeds; Heidi Gansert, Executive Director, External Relations, Office of the President, University of Nevada, Reno; Michael Vannozzi, Director, Public Policy, Las Vegas Global Economic Alliance; Lindsay Anderson, Government Affairs Director, Washoe County School District; Joyce Haldeman, Associate Superintendent, Community and Government Relations, Clark County School District; Mary Pierczynski, Nevada Association of School Superintendents; Ruben Murillo Jr., President, Nevada State Education Association; Jessica Ferrato, Nevada Association of School Boards; Bart Patterson, President, Nevada State College; Michael Harris, Nevadans for the Common Good; Adam Johnson, Teach for America, Las Vegas Valley; John Vellardita, Executive Director, Clark County Education Association; Glenn C. Christenson, Las Vegas Global Economic Alliance; Staci Vesneske, Chief Human Resources Officer, Clark County School District; Ray Bacon, Nevada Manufacturers Association; John Eppolito.

SENATOR ROBERSON:

We are here to hear Senate Bill No. 511. I will step down and provide the introductory remarks. Vice Chair Harris will preside while I am testifying.

SENATOR HARRIS:

We will open the hearing on Senate Bill No. 511 which establishes the Teach Nevada Scholarship Program and incentives for new teachers in certain schools.

SENATOR ROBERSON:

I represent Senate District 20. I appreciate the opportunity to present Senate Bill No. 511 for the consideration of the Committee. There are many good things happening with education in Nevada. Compared with just a few years ago, we have higher academic standards, a more robust accountability system and an improving graduation rate. With the bold plan proposed by Governor Sandoval this Session, Nevada is poised to make further gains in the quality of our educational system; however one variable stands to impede our progress. In fact, it has reached

the point of crisis. We all know the key to a high quality educational system is high quality teaching. These days, Nevada is not just struggling to recruit high quality teachers; we are struggling to recruit any teachers at all. The Clark County School District began this school year with 2,600 teaching vacancies. It has cobbled together a teaching force with duct tape and long-term substitute teachers. As we approach the end of the school year, Clark County School District still has nearly 700 teaching vacancies. To put this into context, this is nearly 40,000 students who do not have a licensed teacher in their classroom.

Moving forward, the years ahead do not look promising either. While the population in our State continues to grow, enrollment in teacher preparation programs is in decline. In the last year for which data is available, enrollment in Nevada's teacher colleges was down 48 percent from the previous year. In California, the next largest contributor to our teaching force, enrollment was down 21 percent from the previous year. In hearing this data, I hope you come to the same conclusion as I have: something must be done. Senate Bill No. 511 seeks to attract new teacher college graduates to Nevada and to crank up the volume on an underutilized source of good teachers; alternative licensure programs. The Teach Nevada Scholarship will fund the cost of attending an alternative licensure education program, contingent upon the candidate's completing the program, teaching for 5 years in a Nevada K-12 school and meeting other requirements set by the State Board of Education. The incentive pay program in Senate Bill No. 511, will enable a school district to pay a teacher who is new to a district, up to an additional \$5,000 per year for the first 2 school years taught in the district, with the caveat that the teacher must work in a Title I or underperforming school.

Nevada is known for its solid level of average teacher pay which is right at \$56,000, the same as the national average; however, we are also known for having an unattractive starting teacher pay level of only about \$35,000 per year. Senate Bill No. 511 addresses this competitive disadvantage by putting incentive money in the pockets of new teachers. It also shows them we are committed to their long-term success by providing professional development to enhance their growth as teachers. It gives a shot in the arm to Nevada's alternative licensure programs, which can be a great source for teacher converts—people who enter the teaching profession from another sector of the workforce.

As Nevada continues to struggle to fill thousands of annual vacancies, this bill will have a significant impact on the ability of our schools to attract and retain teachers. Please join me in supporting Senate Bill No. 511. It is my pleasure to have Nevada's Superintendent of Public Instruction, Dale Erquiaga here, today. He, Brian Mitchell and the Governor's Chief of Staff, Mike Willden, will walk the Committee through the details of this bill.

DALE ERQUIAGA (Superintendent of Public Instruction, Nevada Department of Education):

I am Dale Erquiaga, and I have the honor of serving as your Superintendent of Public Instruction. This is my first time testifying in front a Committee of the Whole in this building. I would like to add a few things to Senator Roberson's remarks. We are, in our State and in most states, confronting a teacher shortage. Many of the programs proposed by Governor Sandoval, and agreed to by the money committees, rely on high quality teachers—all of our schools rely on high quality teachers—but specifically, programs like Zoom and Victory Schools and Read By Three initiatives will fail without addressing the shortage of teachers. Those schools are over-represented in their teacher vacancy rate and in their number of long-term substitute teachers. We think this measure is important in the near-term, as the Senator has so eloquently stated.

Section 12 of the bill addresses the immediate needs of our public schools, particularly those in the Clark County School District. There is a shortage of approximately 100 teachers in the Washoe County School District, and I have heard the number is as high as 2,600 in Clark County. This section provides an additional \$5,000 per year for two years to new teachers in Title I and one and two star schools. Today, in Nevada, there are 327 schools served by Title I and 158 schools that have either one or two stars. These types of schools often overlap, with many underperforming schools also being Title I schools. There are a large number of schools in dire need of new faculty to take those seats.

Sections 2-11 of the bill present the Teach Nevada Scholarship Program. Governor Sandoval has asked his staff to develop this program to address our long-term challenge. This program is

the beginning of creating a pipeline to address our need for teachers. There has been much conversation about this in our State. The UNLV College of Education has led the conversation around the pipeline, and you have worked with us on the development of the Great Teaching and Leading Fund which will address some of our long-term pipeline issues as well as many of our professional development issues. The Governor's Office brought this bill forward to provide direct assistance to those newly entering the teaching field after college graduation for those entering after some other career via the alternate route to licensure, which the Senator mentioned, or for those who may be employed by a district as a substitute teacher or a paraprofessional with some credits, who wish to obtain a full degree and license.

The bill before you addresses both our short- and long-term needs. For this reason, the Department is happy to support it. As you may know, the State Board of Education sets the requirements for and approves or certifies teacher preparatory programs in this State. There are currently 11 of these programs. Dena Durish, from the Las Vegas Office of the Department of Education, can answer any questions about this if you have them. The State Board is involved in the approval of those programs and, thus, would be involved in the distribution of the scholarships to those programs.

Section 12 of the bill points to an existing statute, NRS 391.168. This is a requirement that school districts have a pay-for-performance plan and an enhanced compensation plan. The statute was first enacted in 2011 with a deadline put on it and was amended in 2013. It requires that by July 1 of this year, school districts must have a pay-for-performance and an enhanced compensation plan in place; I stress this—school districts. That statute points to school districts, so section 12 of this bill points to school districts. There has been some conversation, and I have received some questions, about why charter schools were not included. It is for this reason. The underlying requirement for enhanced compensation does not apply to charter schools. Charter schools, under existing law, are only required to have 70 percent of their staff licensed. They have leeway under the personnel laws of this State. Much of NRS chapter 391 does not apply to charter schools. For that reason, they are not included in this funding requirement. It is our view that if an entity such as a charter school is exempt from the underlying requirement of an enhanced performance plan, they should not qualify for State assistance under this program. That is for you to consider and decide.

Senator Roberson has detailed the situation in which we find ourselves, and that conversation has gotten louder as this Session has proceeded. I believe we did our best at the start of the Session by including funding for many programs, but I think we do even better work now by bringing this bill to you, today, with Senator Roberson's assistance. The Clark County Education Association has been instrumental in helping us think through the incentive program. They have been diligent in their appearance in my office, bringing new statutes, ideas and proposals for salary schedules and incentives. I give them credit for watching out for their members and, thus, for the children in our State. I know you will be hearing from them today. Brian Mitchell has developed the language in sections 2 through 11 of the bill on behalf of Governor Sandoval, and I will ask him to present that to you next.

BRIAN MITCHELL (Education Fellow, Office of the Governor):

Senator Roberson and members of the Senate, it is an honor to be here, today. I am Brian Mitchell, the Governor's Education Fellow. I will walk you through the bill, and I will be happy to answer any questions you may have.

Sections 2 through 6 of the bill are definition sections that define terms such as account, other provider of licensure program, scholarship recipient and the Teach Nevada Scholarship. These words will make more sense as I go through the bill. Section 7 of the bill creates the Teach Nevada Scholarship Program in the General Fund. It requires any interest or other gifts to the account carry over and any ending fund balance also carry over to the next fiscal year.

Section 8 of the bill, beginning on page 4, describes roles of the University and State Board in determining these scholarships. The State Board of Education will determine the number of scholarships and will essentially put out an RFP to the 11 licensed universities that can grant teacher licensure. The universities will then apply for the opportunity to offer their students these scholarships. For example, a public university might desire to offer 50 scholarships to students wanting to become math teachers. The State Board would review their application and grant

them a number of scholarships. It could be 50, or it could be less depending on the total number available statewide.

The State Board of Education can prioritize scholarships based on different factors. These include granting scholarships to students: who are veterans; who express an interest and an intention to teach in schools with the highest level of teacher shortage, which are often also those that are lowest performing; who are economically disadvantaged or who belong to certain or ethnic minority groups; and students who express a desire to teach in certain underserved, shortage areas of the State such as science, math, engineering, technology or English as a Second Language (ESL).

To solve the teacher shortage, we want to broaden this to as many providers as possible. As the Senator said, not only would our public institutions be eligible for this, but also our private, nonprofit and for-profit institutions, and the alternative route-to-licensure programs offered by many of the universities or school districts such as the one run by the Clark County School District. Different programs under this bill may take different amounts of time to complete. A program at a four-year university that targets incoming freshman might take four years to produce a graduate whereas an alternative route-to-licensure program would take significantly less amount of time for someone who already has a bachelor's degree and wants to leave their current field to become a teacher. Once the universities have their scholarships to offer, they will accept applications from students wanting to become teachers. This is in subsection 4 of section 8. Students will apply and specify how long they plan to take to finish their education, whether it be four years or a shorter amount of time if they are not an incoming freshman.

Section 9 of the bill describes the role of the university in granting scholarships and their ability to assign preferences. We want to broaden our potential pool of recruits beyond the traditional college student—the 18-year-old college freshman—to include those who may have some college but perhaps not a degree; those who are currently working in the classroom as teacher aides or long-term substitutes; or those coming from outside of the teaching profession. We would also like to target those who are in school and have another chosen major but may, due to the incentives provided by the scholarship, decide to switch majors from, for example, chemical engineering to chemistry teaching.

Subsection 2 of the section 9 describes the maximum scholarship amounts of \$24,000 total and \$3,000 per semester. We arrived at these amounts by looking at the cost for full-time credit hours of 15 credits per semester at the 2 flagship public universities, UNR and UNLV, which roughly equates to \$3,000 per semester. Over 4 years, this would equal \$24,000. There may be other colleges or universities where there would be higher costs. Some of the alternative-licensure routes would cost less because they take less time to complete in order to get a teaching credential, so not every scholarship award would be for the full \$24,000.

The responsibilities for students receiving the scholarships are described in subsections 3 and 4. The universities will disperse 75 percent of the scholarship amount, whatever that amount is, while the student is studying. They will reserve the remaining 25 percent in a trust fund for the student, as an incentive to complete the requirements outlined by this legislation. This legislation expects these students will complete their degree and teach in Nevada at a Nevada school for five consecutive years to complete those requirements. At the conclusion of the 5 consecutive years of teaching, students would apply to their university for the remaining of the 25 percent of their scholarship. In essence, while in school, the student would receive a 75 percent scholarship and pay for 25 percent of their education. This could be done through the Millennium Scholarship, other grants or scholarships, earnings from a job or by taking out a student loan. At the conclusion of their 5 years of teaching, the student would get what is essentially a bonus consisting of the remaining 25 percent of the scholarship. This could then be used to pay off a student loan or for any other purpose. Under this scenario, an incoming freshman who completes their degree in 4 years, would receive \$6,000 from the university at the end of their 5th year of teaching. This process is described in subsection 5 of this section at the top of page 6. At the end of the 5th year of teaching, students would have 120 days to claim the remaining 25 percent of their scholarship. If, for whatever reason, they do not claim this amount, the 25 percent would revert to the university. The university would be required to spend or invest that money in their teacher preparation program rather than in any other campus program.

Subsection 6, describes what would happen if a student decides to change their major from teaching or if a student does not graduate. In this case, the student would not receive the 25 percent being held back due to lack of graduation.

Section 10 of the bill is a hybrid section that discusses the accountability for an institution of higher education and an incentive portion. We want to see as much of this appropriated money as possible go toward teachers who complete their degree and teach in Nevada. In subsection 1, a description is given of what happens if a student does not complete their degree because they drop out, change their major or for any other reason. Any funding that is not used for that scholarship reverts back to the Teach Nevada Scholarship Account. The institution would also be required to pay \$1,000 to the account in this case. We want to incentivize not just completions, but also on-time completions. If a student completes his or her program in the time required for a program—be it 4 years for a freshman, 2 years for someone with an A.A. degree or something different as required for an alternative route-to-licensure program—the institution would receive a \$1,000 bonus.

Section 11 describes the appropriation process, and I will have Mike Willden discuss that with you.

MIKE WILLDEN (Chief of Staff, Office of the Governor):

I would like to express the Governor's personal support for this bill. We have spent a significant amount of time over the last few weeks working out the details and the Governor is supportive of this legislation. As Mr. Erquiaga said, we believe this bill does two things: it addresses the immediate needs we have heard expressed in hearings over the last 115 days; and it helps create a pipeline to address future needs. It also fits well with the education initiatives proposed at the beginning of the Session.

We spent a lot of time in the money Committees reviewing the K-12 and University budgets. Reductions were made in some of the K-12 budgets—about \$1.8 million dollars were reduced in the K-12 initiatives. We think this fits well, and it is a good way to spend additional funding. I want to emphasize that both public and private institutions can take advantage of this bill. It is not just about the universities. It is for public and private teacher preparation programs.

We get asked all of the time about money to pay for this program. I would remind the Committee and others that the Governor's Budget was a \$7.3 billion budget that included significant investments in K-12 education when we submitted it. These have been adjusted through this process, and we think this is a fundable project. When we looked at the revenues and expenditures on our balance sheet, and submitted the Governor's Budget, we had \$90 million over the 5-percent ending fund balance requirement we were supposed to build into the Budget. We believe this is a fundable initiative and urge your support to approve Senate Bill No. 511.

SENATOR ROBERSON:

I would like to thank Governor Sandoval for his vision in creating the Teach Nevada Scholarship. I also want to thank John Vellardita and the Teachers' Associations for working with the Governor and his office and for working with us on the incentive pay program portion of this bill. This is truly a bipartisan bill with bipartisan leadership support, and I want to thank you all for being part of this. I will now allow questions from the Committee.

SENATOR HAMMOND:

I understand the structure of this program and how this will be doled out to the universities, but I have a couple of questions. How many scholarships do you anticipate this will supply? How many teachers are we now graduating from the universities within our State, and as a result of this bill, what do we anticipate to be the spike—not just the number of teachers we normally train, but will the actual increase because of this legislation?

MR. MITCHELL:

The number of scholarships will be determined by the State Board. This will depend on how many it decides to allocate to which types of programs, for example, a scholarship to an incoming freshman at a university will cost more than an alternative route-to-licensure program. If all are allocated to incoming freshmen, there would be approximately 100 scholarships each

year of the Biennium for a total of 200 scholarships. That number could increase depending on the number of alternative route-to-licensure scholarships or those given to students already having some college classes.

As far as how many teachers would be trained, I believe it is 1,000 in each year of the Biennium. According to the most recent available data from 2012, we graduated 430 students with a bachelor's degree in teaching. This was below the 10-year average of 566 and below the 10-year high for each institution, which was 771. The three institutions in the System of Higher Education that offer bachelor's degrees in education are UNLV, UNR and Nevada State College. I do not have the information for the private universities. They are here and may be able to provide that information to you. I believe there is room to grow.

SENATOR HAMMOND:

In 2012, which is the latest information you have, there were about 430 graduates with a degree in education? You said we are looking at as many as 1,000 per year under this program. You said there would be 100 scholarships per year and 200 for the Biennium. That is 200 graduates at the most, although it could be more if you take 50 full-time and then look at those who have graduated and get them into an alternative-licensure program—so maybe around 250 or 300 for the Biennium?

MR. MITCHELL:

That is correct. It could be as few as 200. I do not want to give a ceiling, but it could be as high as 300 or 350. When I said 1,000, I was referring to section 12 of the bill which is the incentive bonus payment for incoming new teachers who already have a credential. That number would be 1,000 teachers for each year of the Biennium.

SENATOR HARDY:

Is the budget now at \$7.4 billion?

MR. WILLDEN:

That number is moving every day. I would answer that by saying the Governor's Recommended Budget on Day 1 of the Session was a \$7.3 billion. The money Committees have cut things from the budget. I think about \$130 million has been cut, so it is now an approximately \$7.2 billion budget. We hear daily there are additional issues being discussed, such as cost of living increases and the UNLV medical school and other initiatives. The balance sheet I run every day still looks like a \$7.3 billion budget.

SENATOR HARDY:

Does this affect the Millennium Scholarship program in any way?

MR. WILLDEN:

No, it does not.

SENATOR MANENDO:

Does this program apply only to Nevada residents, or can someone from out of state use it? I want to make sure Nevada residents and current students are the priority.

MR. MITCHELL:

It is for Nevada residents only.

SENATOR MANENDO:

Where is that in the bill?

MR. ERQUIAGA:

While Mr. Mitchell is looking for the section relating to the scholarships, I would like to clarify that the incentive is not only for Nevada residents. We recruit teachers from outside of the State. If we need to hire 2,500 or 3,000 teachers and our public and private system only generates 500 to 1,000 teachers, we have to bring them in from outside the State. The incentive in section 12 of the measure is for any new teachers, not only Nevada residents.

MR. MITCHELL:

The bill does not specifically address if the scholarship portion is only for Nevada residents, but it was our intention it would be for Nevada residents. If a student was to come from out of state, they would be paying out of state fees to attend school. This scholarship would then not be a full scholarship because there is a \$24,000 maximum to it.

SENATOR ROBERSON:

I would like to point out there is also the requirement they have to teach here in Nevada for 5 years to get the final 25 percent of the scholarship.

SENATOR DENIS:

We currently have students at various levels who are in programs. How does this benefit those who have already decided they want to be a teacher? I can see where these students will not be happy they have decided to be a teacher and now benefits are being given to others.

MR. ERQUIAGA:

The direction given to us by the Governor is that this program yield a net gain. You are correct, a student already in a program, in a College of Education or a preparatory program, would not be eligible. This is to add to the pool. I understand the equity issue, but we are looking to create a net gain not simply compensate those already in our pipeline. Our pipeline is not big enough.

SENATOR DENIS:

I could see someone changing their major to something else then changing it back so they could take advantage of this.

MR. ERQUIAGA:

I supposed a creative student could work around it that way.

SENATOR DENIS:

How does this benefit those who are participating in the alternative-licensure programs; those that are already in programs? Is it only for those going forward?

MR. ERQUIAGA:

It is only for the future; you are correct.

SENATOR KIECKHEFER:

I understand individual institutions will be making applications to the State Board for an allotment of this money. How will they know how much to apply for, and how will you decide who gets what?

MR. ERQUIAGA:

We believe that, by the end of Session, we will know what the funding is. The institutions all have different price points based on the types of programs they offer. To create a net gain, I would expect them to make applications for a set number of scholarships for which they have seats. If they have a recruitment effort underway for new students or students who wish to change their major, I would expect the Board to receive more applications than we have funding available for. The Board will have to prorate the funding and either award some scholarships to all institutions or make awards in those areas that the preparatory program is focused upon such subjects as mathematics, STEM or another high need areas. We know we are looking at 200 to 300 new seats, depending on the size of the scholarships. We are probably going to have more applications than that, and we will have to make a decision.

SENATOR KIECKHEFER:

Is there a requirement that you look at the actual number of seats that will be increased at each individual school? For example, if UNLV has a set number of seats for the School of Education, would they need to increase the number of students going into the school from year to year in order to qualify?

MR. ERQUIAGA:

I believe this is how the Board would approach this. They have some latitude under the law, but my advice to them would be to look at the Governor's goal of net gains and determine who can provide us that gain. It is also important for the Board to consider how quickly we can get those teachers into classrooms in teaching positions. Not all of the scholarships should be for four-year programs because, then, we are looking at a gain some years hence. There should be a blend of those who are close to graduation, those who are entering an alternate route and those who already have a base credential such as special education paraprofessionals or are long-term substitutes.

SENATOR KIECKHEFER:

There certainly should be.

SENATOR HARDY:

How long does it take a student who enrolls from out of State to become a resident for fee purposes?

MR. ERQUIAGA:

I do not know.

SENATOR HARDY:

I think we can do that easily in Nevada, so if we recruit from out of State to get more teachers, this is ideal. Section 8, subsection 9, also talks about students who change their major to one of the target areas, so it does not take a work-around as long as someone is willing to work in one of the areas listed in section 8. This is wonderfully thought out; it is great.

MR. ERQUIAGA:

I will focus on the words "ideal" and "wonderfully thought out." Thank you.

SENATOR BROWER:

Thank you for being here, and thank you to the Majority Leader for his work on this bill. It is groundbreaking to say the least. I am particularly impressed by the at-risk component of the bill. I have long said it is the at-risk schools that deserve this sort of attention and resources. Like many of us, I represent affluent areas and what we might call at-risk areas and I have schools in each of these areas. It is not always popular to say at-risk schools should receive more resources and attention, but it is my belief they should, and I think it is the goal of this Body. I have a question about section 9, where the details of the disbursements are laid out. My understanding is 75 percent of a scholarship would be dispersed as the student is going through his or her educational process and 25 percent would be held back in a trust account. In section 10, the bill addresses the scenario where a student does not comply with his or her end of the bargain. Does that section only address payment of the 25 percent? If not, could you please explain how the amounts already dispersed would be dealt with in a case where a student does not comply with the requirements of the scholarship.

MR. MITCHELL:

We did not want to claw-back scholarship funds already paid to a student, for example, if halfway through their junior year an incoming freshman decides to change majors and not complete their degree in education. I do not know how much of the \$24,000 scholarship would have been paid out by then in this scenario, but \$6,000 would have been reserved to cover the 25 percent to be paid after 5 years of teaching. Of the \$18,000 remaining in the 75 percent, if \$12,000 had already been paid to the student, the \$6,000 left would revert back to the scholarship fund, along with the \$6,000 from the 25 percent bonus. The university would also have to pay the \$1,000 penalty because the student did not complete their program.

SENATOR BROWER:

I understand that university has to pay a penalty for the noncompletion, but under your scenario, would the student who received funds be able to keep those funds with no repayment obligation?

MR. MITCHELL:

That is correct. We contemplated a few scenarios about this—whether to transform this into a loan or put a repayment clause into a contract of some sort—but, ultimately, decided we did not want to become a debt collection agency, and that it was better to put the university in the role of helping students continue with their majors and complete their degrees.

SENATOR BROWER:

It sounds like you made a policy decision not to penalize the student for noncompletion, at least for the amount already dispersed.

MR. MITCHELL:

That is correct.

SENATOR HAMMOND:

In section 9, subsection 4(c), on page 6, it states: "...meets any other requirements established by the State Board." I understand the Board may want to have some requirements. Do you contemplate them being able to change these requirements after they set them or add to them as time goes on? If so, would the student be under obligation to fulfill the requirements set at the time they received their scholarship or the ones that come later?

MR. ERQUIAGA:

I will answer the second part of your question first. It is our belief the rules would apply to cohorts. If requirements about credits or obtaining the money in trust are established by the Board, it would pertain to cohorts. They would not change the rules on a student. We left this language in because we know the Board, at some point, will have to deal with an instance where, for example, regarding the requirement to teach for five years, a teacher is RIFed through no fault of the teacher. If the teacher shortage goes away and we end up with a different situation, it would not be the fault of the scholarship recipient that they are unable to fulfill requirements of this scholarship, so we may need to address this sort of situation by regulation. This measure is not here to address new requirements established by the Board for additional coursework. It addresses circumstances that may occur over the time and life of the scholarship recipient being in school and their five years of teaching before their trust is returned. We are trying to create some stop-gap language to be fair, yet also address future instances so we do not have to come back to this Body.

SENATOR HAMMOND:

I think that is fair.

SENATOR FARLEY:

I have two questions. The first is whether there is a grade requirement, and the second is whether there are any incentives for teachers to specialize in areas in which we are deficient? I realize Cs get degrees, but it would be nice, if the public is paying, that we are paying for good-quality folks to come out of this process.

MR. MITCHELL:

The Governor envisions this program as being a cohort of super teachers—the best-of-the-best students—who are applying for this scholarship. There will likely be more scholarship applicants at a university than there are available scholarships so the best students really will be getting the scholarships. This cohort of students, as Senator Brower mentioned, would then go and teach in our most at-risk schools and in the subjects for which we need the most teachers such as special education, ESL or math.

There is language in the bill that allows the State Board of Education, when they are putting out their RFPs to the universities, to focus on areas of need such as special education for example, because there is an acute need for that now. A university could request 50 scholarships and say it is going to focus on training PE teachers, but if there is not a shortage of PE teachers, that university may not get any scholarships. Another university might have an alternative route-to-licensure program and be able to guarantee graduation of 25 students who can teach

special education. Based on this, the State Board might allocate 25 scholarships to this university.

SENATOR HARRIS:

As I understand the bill, universities apply for a grant, are given the funds and then decide how to disperse those funds. What do you anticipate to be the type of commitment we are going to make to students? There is an assumption that once a student qualifies for a scholarship, that scholarship will carry through to the breadth of their education until they receive their degree. Is that the case, or perhaps, after a year, might there be a good reason for a student to not continue with the commitment and the commitment be made to another student? In reality, how do you anticipate the funds being used? Is it on a semester basis where a student requalifies and shows he or she is going to be a quality teacher? Is it annually, or for the entire breadth of their education? What does this look like?

MR. ERQUIAGA:

The law is silent on this. The 11 preparatory institutions are very different on their continuance requirements, and the Board may see some of this in the institution's responses to the RFPs for example, a program may want 50 slots, chose to focus on STEM teachers and have a requirement of a grade continuance to have the best-of-the-best. I expect the Board would consider this information in the application rather than putting us in the position of setting those requirements. The money is distributed up front so part of it can be held in trust. The different institutions will tell you they have different methods for how they award, whether it is on a semester basis or a certain credit-load basis. We think that will be left with them. The incentive for the universities to do that is there is a penalty for them if a student leaves the program.

SENATOR HARRIS:

The discretion is left to the universities?

MR. ERQUIAGA:

Yes.

SENATOR SPEARMAN:

I want to make sure I have this right. If, instead of teaching for five years, a scholarship recipient leaves after teaching only two years, is there any way for the taxpayers of Nevada to recoup their return on investment?

MR. MITCHELL:

The incentive is for the scholarship recipient to teach the full five years so they get the bonus. If they teach less than that, they do not get the bonus and that amount reverts back to the scholarship fund rather than being paid to the recipient on a prorated basis.

SENATOR SPEARMAN:

The recipient would get 75 percent of the scholarship but would not get the remaining 25 percent. The second thing I have to say is not a question but rather a comment. I know we have some good teachers in this State. I have personally visited schools that do not have enough desks or books for their students. Yet, there is still an underlying narrative that vilifies all teachers. We are going to solve some of this, I hope, with this bill. It is also my hope we will begin a culture of appreciation for those who are in education and who have worked this long and this hard without the money to do their job. They have been blamed because they have not had the money to do their job. We cannot legislate that, but I certainly hope we—all the citizens of Nevada—will recognize the professionalism and dedication of all the teachers. If we can do that, I think we can retain many of these scholarship recipients. If we do not however, they will go someplace where they are appreciated.

MR. ERQUIAGA:

I would like to thank the Senator for her comments. I believe this bill takes a big step forward in creating this culture. I have a strange role. My name goes on everyone's license, and I am also the person who brings a teacher before the State Board for revocation. I have this yin-and-yang

tension in my job. I am the person who is required to advise the Board on the development of an evaluation system. It is a tough role for us to be both regulator and cheerleader.

I appreciate your comments and think this bill will help us change that culture. It is also why the Governor chose, in conversations with Legislative Leadership, to use the existing statute for pay-for-performance and enhanced compensation. One of the criticisms of that statute has been it was not funded, only mandated. By providing at least initial funding for that program, we believe districts will be helped in focusing on developing that culture. If teachers are performing well, we ought to pay them differently. If they are accepting more challenging assignments, we ought to enhance their compensation. We believe section 12 of this bill also provides an impetus to change behavior at the district level.

SENATOR SPEARMAN:

My comments were directed more to the culture that citizens hold. We have to start respecting the job teachers are already doing even though they do not have all of the tools they need to be successful. I recognize the yin and yang, but I am saying the challenge is to us nonteachers to begin to change that culture so we begin to respect teachers as the professionals they are and to make sure we commit beyond just this bill to build an educational system that will bring us world-class students and world-class teachers.

SENATOR MANENDO:

On page 5, section 9, paragraph (c), it says: "...students that have completed some credits at a university or college." Does this mean someone who is currently enrolled and taking classes toward a teaching degree would be eligible?

MR. MITCHELL:

This paragraph was meant to describe individuals who may have taken some classes and then, for any reason, dropped out of school and want to come back, as being eligible for this program. The key is they would have to enroll in a program. A person who has already taken some classes in a teacher preparation program would not be enrolling because they are already enrolled. This legislation only applies to new enrollees to a program.

SENATOR HARDY:

In paragraph (b) of this section, it says; "Students who are enrolled at a university or college who change their academic program or major to a program described in subsection 1 of section 8 of this Act..." are eligible for this program. Is that correct?

MR. MITCHELL:

That is correct. In an effort to increase the teacher pipeline, students who are currently pursuing another field of study, who decide to switch over and become a teacher are eligible. I think that is a win for us.

SENATOR HARDY:

So do I.

SENATOR KIECKHEFER:

Charter schools in our State are public schools. If you are teaching in a charter school, are you still eligible for the 25 percent trust payment?

MR. ERQUIAGA:

Yes, you are. You are correct; charter schools are public schools.

SENATOR ROBERSON:

We will divide this hearing between the Teach Nevada testimony and testimony on the incentive pay program. I will now take testimony in support of the Teach Nevada portion of the program.

DANIEL J. KLAICH (Chancellor, Nevada System of Higher Education):

I am Chancellor of the Nevada System of Higher Education and have served as cochair of the Governor's Blue Ribbon Task Force that produced "Nevada's Promise, a Blueprint for

K-12 Reform." I was also cochair of Governor Sandoval's Nevada Ready campaign on college and career readiness. I am here primarily as a son, husband, father and father-in-law of a public school teacher, grand-father of six students in our public school system and a person who reads in our schools each year. I am appearing in support of Senate Bill No. 511 because of the statement it makes on behalf of all of our teachers and all of our children.

Today, we ask our teachers to be not just transmitters of knowledge, we ask them to be linguists, nutritionists, counselors, disciplinarians, part-time therapists and, quite frankly in too many cases, surrogate parents. And all the while, we ask them to do this for substandard wages and largely without our thanks and recognition. Senate Bill No. 511 is a first, huge step in reversing that status for our teachers. It is based on the fundamental concept that we endorsed in Nevada's Promise: that every child is entitled to be in a classroom led by a great teacher.

What this legislation says is that we must recruit our best students into the profession and then provide an environment that keeps them there. There is much work yet to be done in reforming the profession to attract and retain the best students in our colleges and universities, but this bill starts that journey in two critical aspects. First, it provides financial incentives for students to enter the profession. The scholarships funded in this program will help students graduate with little debt. Until we change the system to provide more reasonable starting salaries for our teachers, this is a great start. Second, the bill acknowledges that every teaching job today is not equal in its demands, but that every child is equal in his or her ability to learn, and that we must provide excellence at the front of every classroom. Until we can honestly survey the educational landscape and say all of our schools have achieved parity, this bill provides a financial incentive for those bold and passionate teachers who willingly take on the toughest jobs in our State.

With this legislation, the Governor, along with Legislative Leadership, has pointed the way to our next step in creating a world-class educational system that will serve the New Nevada the Governor has challenged us to build with him. We should acknowledge the wisdom behind the bill and support this important legislation.

KIM METCALF, PH.D. (Dean, College of Education, University of Nevada, Las Vegas):

Good Morning Mr. Chair. Thank you for giving me a chance to speak to you. I support Senate Bill No. 511. I have a completely vested interest in this bill for many reasons. I have been an educator—with the exception of a period of about 4 years, when I decided to try and make money by buying and selling businesses—for my entire career, and I am passionate about the work. I believe in what we do. I do not think there is anything we do that is more important. I am Dean of the College of Education that is the largest, single producer of teachers in Nevada. We produce about 44 percent of all the teachers in the State. Over the last 3 years, we have prepared about 450 teachers each year, most of those from alternative programs. The point I want to emphasize is that we now graduate more students from about a dozen alternative routes to licensure programs in our college than we do from our traditional, 4-year undergraduate program.

We are completely committed to providing high-quality teachers to Nevada's schools, particularly those in CCSD. Ninety-eight percent of our folks go to work for the CCSD. The retention rate of our teachers, particularly in CCSD's most impacted schools, is about two and a half times the national average. We are very proud of that. Since I got here two years ago, I have publicly and openly committed to nearly tripling the number of teachers our College produces, and there is a serious misperception that Senate Bill No. 511 can help us address. There seems to be the perception that there are a number of folks who want to be teachers and somehow it is difficult for them to do this. The fact of the matter is that most of us involved in educator preparation are doing everything we can to reach out to people. As the Chancellor said, it is difficult to recruit people into teaching. As the economy improves, as districts around the country increase their efforts to recruit, this will only become more difficult. Senate Bill No. 511 is a small step forward. I will disagree somewhat with the Chancellor, it is a small step, but it is an important step in giving those of us who want to do this work a tool to recruit people who want to be teachers, but perhaps cannot afford it or who are on the fence about becoming a teacher. It will help us recruit them into a career that can make a difference and that can be fulfilling for them. I urge you to support this bill.

SETH RAU (Policy Director, Nevada Succeeds):

Thank you, Senator, for allowing me to address the Committee of the Whole. We come here in strong support of the scholarship portion of the Teach Nevada Scholarship Program. If we look at systems across the country and across the world, the highest performing systems all have a more than adequate supply of teachers that are coming from the best high schools and the best alternative providers to make sure they can enter the teaching profession. The Teach Nevada Scholarship Program is a way for us to dramatically increase our numbers here in the long run. If we look at public providers, private providers and alternate providers, we are producing only about 1,200 to 1,300 teachers a year as a State, when CCSD's demand for teachers alone is 2,600. We hope to see Nevada continue to grow in the coming years. That means as a result of our natural growth and retirements, as the system goes on, there will be more teacher vacancies. We need to ensure we have an adequate system of teacher preparation: getting our best and brightest in high school and people who are moving to the State to become long term teachers. We think that Senate Bill No. 511 is a strong step in that direction.

HEIDI GANSERT (Executive Director, External Relations, Office of the President, University of Nevada, Reno):

Dean Cole could not be here, so I am substituting. We are here to support Senate Bill No. 511. We have about 900 students in the College of Education right now. About 750 are undergraduate students and about 150 are graduate students. We believe this bill will help increase the pipeline, and we are in full support of the legislation.

MICHAEL VANNOZZI (Director, Public Policy, Las Vegas Global Economic Alliance):

My Chairman Emeritus, Glenn Christianson, is here today, as well as Ray Speck, our Chairman and Rick Crawford, a Board member for the Las Vegas Global Economic Alliance (LVGEA). The LVGEA has been a strong supporter of the teacher pipeline growth efforts in the State of Nevada. We have been a member of the teacher pipeline consortium. We see this as a positive step forward. We thank you, Mr. Majority Leader, and we thank the Governor for his bold leadership on this issue, and we hope to have it resolved.

SENATOR ROBERSON:

Thank you, Mr. Vannozzi. I want to thank the LVGEA for all of the support they have given the Legislature this Session.

MR. VANNOZZI:

Thank you, sir.

LINDSAY ANDERSON (Government Affairs Director, Washoe County School District):

I would like to give you a little bit of context from a district perspective. As of today, the Washoe County School District has 202 openings we are trying to fill for the upcoming school year. A majority of those are in Special Education, ESL, math and science. I received a text message from a principal in Senator Kieckhefer's district who attended the UNR graduation. The principal said there were 36 graduates in Electrical Engineering and only 30 graduates in Secondary Education. There were 87 graduates in Mechanical Engineering and only 41 Elementary Education graduates. This is something that is on the radar of our existing administrators as they try to recruit teachers. We are grateful for the extra effort. We have a program in the Washoe County School District for paraprofessionals. We have sort of a scholarship program for those who are already working in classrooms and are not licensed teachers to go and get their teaching degree. We see this bill as fitting into that initiative we are currently working on in our school district, and we are grateful for the extra support.

JOYCE HALDEMAN (Associate Superintendent, Community and Government Relations, Clark County School District):

I would thank all the people who have been involved in putting this bill together. You just heard Ms. Anderson talk about the openings that she has in the Washoe County School District. It is no secret that in the Clark County School District we have operated all year with a number of full-time substitutes in our classrooms. We have around 600 to 650 vacancies right now. Last year, our hiring goal was 2,300 teachers, and we did pretty well except for those 650 vacancies

we have. This year, our hiring goal is 2,600 teachers. As you know, in addition to all of the wonderful programs that require us to have high-quality teachers in our classrooms, we are also experiencing growth in the Clark County School District. We will be hiring these teachers. This long-term solution of creating a teacher pipeline is, probably, one of the most essential things we can do. It is one thing to try to hire and recruit teachers, but until Nevada gets a handle on how we create our own teachers and makes sure we can supply the classrooms for which we need teachers, we will have a hard time keeping up. We are appreciative of this bill and fully support it.

MARY PIERCZYNSKI (Nevada Association of School Superintendents):

The Nevada Association of School Superintendents would like to thank Senator Roberson for bringing this bill forward and the Governor for supporting this bill. There is no question we need more teachers in Nevada. Frankly, teaching is not a popular career anymore, and I think you just heard the statistics on the UNR graduates. We want to thank you, Senator Spearman, for your comments earlier about the teaching profession. This bill is really good. It has the education trust account. The trust account piece in here is unique, and I think that is going to help people stay in the career. We know a lot of people leave teaching after about three years. This will create an incentive to stay and really become a good teacher. By the fifth year, most people are doing pretty well, so we want to thank you for bringing this forward. There are teacher shortages in Washoe and Clark, but also in the rural areas. Here, in Carson City, they were short of math and special education teachers so they had long-term subs in those classrooms. This is a problem all over the State.

RUBEN MURILLO JR. (President, Nevada State Education Association):

Mr. Chair and members of the Committee, the Nevada State Education Association (NSEA) expresses support for Senate Bill No. 511 relating to the establishment of the Teach Nevada Scholarship Program for incentives for the recruitment and retention of new teachers in high-need schools. NSEA believes the establishment of the Teach Nevada Scholarship Program is a positive step in addressing Nevada's severe teacher shortage, especially in high-need schools. The establishment of a clear pathway to provide students who wish to become teachers with financial assistance helps to address teacher pipeline development. We are especially grateful that paraprofessionals, who work hand-in-hand with our teachers, will be given that same opportunity.

JESSICA FERRATO (Nevada Association of School Boards):

We are in support of this bill. I would like to echo the comments brought forth by all the previous speakers. I want to highlight that our rural districts, as well as the urban districts, also have a challenge in getting teachers. It is a proximity issue. We think this bill will help with that as well. We appreciate the bill.

BART PATTERSON (President, Nevada State College):

It is a pleasure to be here with the Committee and to talk about this important bill. At Nevada State College, two-thirds of our students are first generation—the first in their family to go to college. Half are from underrepresented backgrounds and about half are from poor backgrounds. These are the type of students that need financial aid and the type to work in our school districts because they have the life experience that helps them be successful with our challenged student populations. Our College has a core emphasis on teacher preparation, but I have to acknowledge we have had only marginal increases in the number of teachers coming through our program. Frankly, we are the least expensive program in the State, and we ought to be tripling the size of our program. This type of program will help us to do that. Nationwide, there is a shortage of teachers. This is not a problem that is unique to Nevada, but it is especially acute here in our State. One of the ways we can incentivize students to choose teaching is through a scholarship program like this one. It dovetails well with other initiatives we have at the College such as those related to STEM, teaching English as a Second Language, Special Education endorsements and the like. I am excited about this program. Seeing the State contribute to help in solving this education issue will also help us increase scholarship dollars from private donors and on our own. I give my thanks to the sponsors and the Governor for bring this forward.

MICHAEL HARRIS (Nevadans for the Common Good):

Nevadans for the Common Good would like to express our strong support for Senate Bill No. 511.

ADAM JOHNSON (Teach for America, Las Vegas Valley):

Teach for America's mission is to build a movement of leaders who work to help provide educational equity here in Nevada and across the Country. For a decade, we have worked as part of the Las Vegas community to ensure all students have equal access to a great education. We are now working to meet the additional demand from schools in southern Nevada who are pursuing additional funding sources and are broadening our recruitment reach.

I am here, as a representative of an organization committed to cultivating teachers and leaders that help provide educational opportunities for students in Nevada, to give my enthusiastic support to Senate Bill No. 511. Teach for America has seen, first-hand, the challenges of recruiting diverse individuals to teach. When we think about some of the alternative licensure programs, we think about some of the challenges we face. One in particular is student loan debt. Student loan debt burdens some of our diverse teachers who come right out of our undergraduate programs. This past year, our African-American student population had an average student-debt burden of \$36,000, while the debt burden of the overall student population was \$26,000.

We understand how this program will be able to ensure we are able to recruit a more diverse teaching force coming directly from the undergraduate ranks. As the work to increase the teacher pipeline intensifies, our collective effort as a community must meet the challenges and redefine how we recruit teachers to teach in Nevada, particularly in low-income communities. To ensure the long-term sustainability of our schools and communities, we must increase the number of talented teachers we recruit locally. Senate Bill No. 511 will help increase the opportunities for talented, diverse leaders in our State to pursue the path of becoming educators. We cannot undervalue the importance of having homegrown talent remain in their communities to educate future generations of Nevadans. Thank you so much for the bill, and we look forward to having your full support of it.

JOHN VELLARDITA (Executive Director, Clark County Education Association):

Thank you, Senator Roberson, and thank you, Superintendent Erquiaga for your cooperation in working through the issues around this challenging subject. I would also like to thank Senators Kieckhefer and Harris for sponsoring this bill and would like to pay special appreciation to the support Senator Ford has given to this issue from the onset of this Session. Finally, I would like to extend a great deal of appreciation, on behalf of 18,000 teachers, to you Senator Roberson for your lead on this bill. We know it has been a challenging Session, but it is the education session, and we think this bill is very appropriate.

Before I go into the second part of this bill, I would like to say a little bit about the teacher pipeline issue. One of the things that is good about the scholarship incentive is it addresses our need to diversify our teacher population. In order to do that, we have to address socio-economic issues among students who are having a more challenging time finding the financing to continue in higher education programs. This bill provides a vehicle to address that. For example, we have a celebrated teacher in the Clark County School District at Rancho High School named Reuben D'Silva. He is a two-tour, Iraqi War veteran, who was wounded in action. He is a Yale graduate and could have gotten a job anywhere in the Country, but he came back to teach in his community. When I asked him why, he said he believed in teaching—his mother was a teacher—and he believed in giving back to his community. I asked how he was able to get through his journey. The thing I would like to share, because I think it is appropriate to this discussion about the scholarship program, is that he said if it were not for the Marines and being a veteran and being able to access GI funds and other financing, he would never have been able to pursue his education at Yale. These types of scholarships do make a difference, and they will appeal to that student who may not make the decision to go into teaching based upon their finances.

At this time last year, the Clark County School District was trying to recruit approximately 1,800 teachers. At that time—and this is to all of the economists here who believe in the private market and market forces because this is what really drives the shortage beyond the pipeline issue—there were 6,000 teacher vacancies in the western United States and the Clark County

School District was competing for these teachers. By the time the school year started, that number had reached 10,000. We had 1,800 vacancies and had filled approximately 1,200 of them. We started and ended the year with a number of long-term substitutes. One out of every ten teachers we hired did not even complete their first year of teaching.

In 2012, California passed Proposition 30, which was a tax, and the floodgates opened up for education in that state. Oregon and Texas followed, and those were our major competitors for hiring teachers. This year, as we start the hiring process, we are again competing. There are close to 20,000 teaching vacancies in the western United States with 14,000 alone in the state of California. Bumping up our starting salary is a first step. We are behind everyone else in the United States. Five years ago we were above Utah and were able to compete with them. We are now below them in terms of our starting salary.

Eighty percent of all of our vacancies are in at-risk schools. That means there are 2,600 vacancies in these schools. These are Title I, Tier 1 and 2 and 1 and 2 Star schools. These are the most challenging classrooms in our school districts, and this is where we put our incoming new teachers if we can find them. If we cannot, we have a substitute teacher in those classrooms, and if we have a substitute, those children are short-changed of a quality education.

This program aligns with the good policies and good programs the Governor and this Legislature have already adopted around specific focus areas such as ELL and all-day kindergarten. It aligns with all the schools in which these programs are taking place. The missing ingredient has been having a high-quality teacher in each classroom. On May 30, we had 200 teachers visit here to talk with many of you and, specifically, to have a private session with Governor Sandoval. At that time, the Governor asked if there were any questions. The first and most important question he was asked by these 200 teachers regarded what he was going to do about the shortage in the teacher pipeline. He told these teachers he was working on it and asked them to work with him on solving the problem. Today is the culmination of this working together, and we think this is a step in the right direction.

The second part of this bill, found in section 12, subsection 4, relates to increasing the salary by \$5,000, for 2 years, for teachers who go to these at-risk schools. It mandates school districts to provide professional development to these teachers. We are a firm believer not only money attracts people, but also that teachers will follow good leadership in a building and that they want the support and resources to succeed. We think the section on professional development is absolutely critical. Many of these are first-year teachers, and they are being put in the most challenging classrooms in our districts. Without resources and the support to succeed, the money will not be well spent. We feel this is a critical piece of this proposal.

Although this bill will apply State-wide, approximately 78 out of the 357 schools in the Clark County School District are considered at-risk. This bill takes a good first step in a recruiting season, which is right now for Clark. In order to cover all 78 schools, we ask this Committee to increase the amount of funding for these at-risk schools, from the current \$10 million over 2 years to \$20 million over 2 years. Those funds are not toward the scholarship program, they are for teacher recruitment for these at-risk schools.

We have heard a lot of talk about funding and whether there is public support for funding. After the Governor announced his original budget, we conducted a poll. At that time, there was over 60 percent support for a tax that would support education programs as outlined in his proposal. We specifically tested all of the programs proposed by the Governor. The one that came in second highest in public support was not part of the proposed legislation until now: putting qualified teachers, in lieu of substitutes, in classrooms. This rated high.

A week ago, we retested that same voting public and the numbers are skyrocketing around the topic of funding to address the need to get qualified teachers in these at-risk schools. The public again rated this high in terms of their willingness to support the idea. There is an appetite of support in the public in your districts to do the right thing. We think this was the missing piece, and it has now been addressed by this education session. I again want to express support for Senate Bill No. 511 and again express my gratitude and appreciation for the Governor's leadership and to the Senate. I hope this Committee supports this bill.

SENATOR DENIS:

You made reference to the incentive part of this bill. The majority of the schools in my district are at-risk schools. They get the new teachers because they are the ones who will fill those positions. Are these the kind of teachers we really want to put in these schools?

MR. VELLARDITA:

Ideally, we would have the most experienced and most highly qualified teachers in these challenging classrooms. The reality is, this will not uniformly happen. The vacancies are there, and they are high in number. The effort to bring people in is ongoing. The key is to find teachers who have graduated and are first-year teachers or who may have some experience elsewhere. We need to be competitive in the market, recruit them, bring them in and provide the needed support so they are successful in their first two years. The key thing about this bill is that it is a two-year program, and it not only attempts to recruit new teachers with a higher competitive salary, but it also puts in a support system with robust professional development so they can be successful. If we can hold onto a teacher for the first two years, we are doing well because one out of every two leaves in the first two years of their employment.

SENATOR DENIS:

In section 12, subsection 2, the bill discusses providing an incentive to teach in the at-risk schools to newly hired teachers. Is this really an incentive? How does this work? Is it really an incentive or are we just encouraging them to come to these schools even though they may not be the best prepared to be there? Should we also be offering an incentive to more experienced teachers so they would want to come to these at-risk schools?

MR. VELLARDITA:

There is no doubt we should be offering experienced teachers an incentive, and we are in discussions with the school district now about how to attract more experienced teachers—those who are in-place right now—to some of these at-risk schools.

SENATOR KIECKHEFER:

I appreciate your work on this. It is critical, and you have done a good job reaching out to us on the need for it. I would like to discuss NRS 391.168 that requires the associations and districts to negotiate this exact thing. This has been in statute since 2011. I know Clark County School District entered a new contract last fall that included a well-warranted increase for education personnel across the spectrum. Did those negotiations also focus on this? You have indicated this was identified as a need, at this time, last year. Did negotiations focus on creating an incentive-and-performance pay pool for these schools?

MR. VELLARDITA:

How we addressed that problem was a centerpiece of negotiations, not just in the immediate—how to recruit people to be competitive—but also how to attract existing teachers, who were in place, to go to these at-risk schools. It is a work in progress. It is a step in the right direction for us to assist at the district level and put the best teachers in these classrooms.

We are committed, as an organization, to improve practice. Part of that means our negotiations are geared so we have top-shelf teachers in these classrooms. We have introduced what we call a professional-learning salary schedule that is contrary to what has been in existence in the industry for the last 60 or 70 years. It is a concept that is based on the idea you are compensated on acquired, needed and relevant, professional development, training and education for today's classroom. We are in discussion with the school district now around that. We think, along with our peer assistance and review program, that is a game changer to try to ensure good teachers in these challenging classrooms.

GLENN C. CHRISTENSON (Las Vegas Global Economic Alliance):

I represent the LVGEA in support of improving K-12 education in our State. The LVGEA is no stranger to this effort. In the last year and a half alone, we have worked with the education and business leaders in our community, nonprofit organizations that support the education effort and the Clark County School Teacher Association through our LVGEA Education Council to develop a strategy to enhance education in our community.

We are here today to testify in support of Senate Bill No. 511. I previously testified in support of funding the teacher pipeline. The best predictor of good student outcomes in a classroom is a highly-qualified teacher. The success of our economy in southern Nevada has created a problem such that we are well over 700 teachers short for this coming school year. If this crisis is not addressed, we will damage our ability to reach the potential of the new education initiatives passed by this Legislature. Without quality teachers, we are putting the cart before the horse for many of our classrooms. Senate Bill No. 511 provides a common sense approach to begin to address the problem of the teacher shortage that has now reached code-red status in our classrooms. This bill is extremely important for the education effort in southern Nevada, and we encourage you to support the bill.

MS. HALDEMAN:

We like the second half of the bill as well as the first half. It is true, and everyone has agreed, that it is essential for us to have a qualified teacher in every classroom. In the education committees, we have had many discussions this year about how many of our most at-risk school are the ones with teacher vacancies. This is troubling to us as well. The reason we like this so well is not only are we trying to recruit teachers in a very competitive world, but it is also important for us to get the teachers at the right schools. Sometime in the 1990s, we had an incentive pay program of a hiring bonus we offered and it was very helpful. We were going through a growing period then, and we were glad to have it. It did not give us the ability to attract the teachers at the places we need. This will change the dynamic at our at-risk schools—"Appendix A" schools: those that are either Title I, Tier 1 or Title I, Tier 2 or schools with 1 or 2 star ratings.

For a new teacher at the bottom of the pay scale, the incentive of \$5,000 is significant to entice them to go to the schools where they are needed the most. If you have been at the same school for two years in a row, you develop an appreciation for the school and a commitment such as we heard from the veteran who works at Rancho High School: the commitment to be there, to stay, and work with those populations. Currently, we often have teachers who will take a job anywhere they can get one, and as soon as they can, they will transfer to a school they would prefer to be at. They leave the original school and go another. This incentive would attract them to those schools, keep them there at least for two years in which we hope we can build those ties and have them stay longer.

I would like to introduce Stacy Vesneske who is our Chief Human Resources Officer. We have a robust campaign to help us recruit on a national level and to retain them once hired. It is called Calling All Heroes. I have asked her to give you some details about the program and how this bill will help her as she talks to applicants who are considering coming to the Clark County School District.

STACI VESNESKE (Chief Human Resources Officer, Clark County School District):

Ms. Haldeman and others have stated, we anticipate hiring 2,600 teachers for the 2015/2016 school year. To clarify, we have already hired 600 of those teachers and we have 1,300 current vacancies. As we fill those 1,300 vacancies, throughout the summer into next school year, we will continue to receive retirements and resignations. Within that 2,600 total required, we anticipate hiring 1,700 due to retirements and resignations and the rest due to enrollment increases, class-size reduction and the ongoing expansion of full-day kindergarten. We have hired 600 already, which is nearly 175 more teachers than we had hired at this point last year. By the end of May, we hope to have hired another 120 and continue to outpace last year's recruitment efforts. Once a quality teacher enters the pool and completes an application, he or she is identified by a human resources director and referred out to a school.

June is our largest hiring month and that is upcoming. The timing of this legislation could not be better. Last year, we hired approximate 500 teachers in June, and we hope to increase that amount this year by another 300 to 400 teachers for the month.

To find teachers, we have recruited at multiple career fairs and college campuses. We have also greatly expanded our alternative route-to-licensure program. A key component is our Calling All Heroes campaign and tagline. You may have heard of this campaign, and if you follow us on Twitter, you may have seen reference to our ads in Southwest Magazine, at McCarran Airport, on hotel key cards throughout the nation, on local and I Heart radio ads, in

movie theaters, on local billboards and even on a billboard at 42nd Street and Bryant Park in New York City. As our private industry and tourism partners know, much of the battle for recruiting current, ready-to-staff teachers is in getting the word out that we are hiring after a decline in the economy. To that end, we have been able to leverage media stories in the Huffington Post, on National Public radio and even, as some noted this weekend, on media outlets overseas.

As many have stated, the Teach Nevada Scholarship and the addition of \$5,000 to potentially recruit teachers into our highest needs schools will most certainly contribute to our efforts as we compete with other school districts that can offer more pay. We believe this will serve to help us attract more candidates to Nevada as we go into our busiest hiring season. We thank you for your efforts on behalf of our students.

SENATOR KIECKHEFER:

How was the amount of \$5,000 chosen? Is that comparable to other districts with whom you compete? Secondly, we have heard a lot about the budgeting process for K-12 education this Session. This is a one-time incentive for a teacher, and it is spelled out in the bill that it is not guaranteed in the subsequent years. I want to make sure it is on the record it will not be used to calculate base on a go-forward basis.

MS. HALDEMAN:

Yes, that is exactly right. The \$5,000 is something the teacher would get for the first two years. Although it is part of their salary for those years, it is not a part of salary in the third year. I have expressed concern we could have a third year teacher that would actually lose pay. However, if the teacher takes the ongoing professional development being offered and earns the credits, that would mitigate that falling backwards somewhat, and we think this is still something that would be excellent. For us to be competitive, \$5,000 is something that is essential. We do not want to look at anything less than that. We are in a competitive environment.

I do not know how the amount was selected. At our Appendix A schools, we have chronic openings of about 2,000 teachers. That means the Clark County School District could use up the entire \$10 million of funding in the first year of the biennium. That is part of the reason there has been discussions about trying to increase this funding. It is the nature of business.

SENATOR ROBERSON:

While there are dollar amounts in this bill now of \$10 million over the biennium, there has been a request for more funding for this portion of the bill. We are going to work through that issue between now and the end of Session. If we can increase that amount, we will.

MR. VELLARDITA:

Senator Kieckhefer, it is really a market-competitive number. We rank bottom in terms of starting salary. We are \$5,000 below others. There is a need for 20,000 teachers in the western states alone. This gets us even with most of the urban-teacher markets such as SoCal, northern California, Portland, Texas and others. The amount of \$5,000 is really market driven.

SENATOR KIECKHEFER:

I figured it was based on a comparative study. There is an incentive account in our DSA. In this bill, as it is written, these funds may be being allocated to the wrong account.

SENATOR HAMMOND:

Mr. Vellardita, you stated we are at the bottom in terms of starting salary. Does that take into account our cost of living versus other areas or is that just the flat salary?

MR. VELLARDITA:

It is not the total salary compensation package, which would also take into account the cost of living in the area. What is driving entry into an area is the starting salary and, on top of that, lucrative bonuses. For example, in southern California where a significant amount of recruitment is occurring, there are not only higher salaries but bonuses and relocation incentives being offered. We are not even comparative in that sense. It is the entry level being market competitive that drives where people chose to go.

MS. HALDEMAN:

We frequently compare ourselves to Houston because the cost of living is similar there. In Houston, the starting salary is \$50,000.

SENATOR HAMMOND:

For your information, the bonuses in Clark County School District kicked in in 2003 and I did not get one.

MS. PIERCZYNSKI:

Senator Hammond, I am sorry you did not get a bonus. The Nevada Association of School Superintendents is in support of incentives. As a former superintendent, those incentives were important in trying to recruit people. Unfortunately, we have at-risk schools and underperforming schools throughout this State. Seven of our rural districts have at least one underperforming school. I think this will help us. Sometimes, it is difficult to get young people to go to some of our remote areas so thank you for bringing this forward.

MS. FERRATO:

On behalf of the Nevada School Boards, I would like to echo the comments about the rural areas of the State made by Ms. Pierczynski. We do have some difficulties getting people to relocate to the smaller districts, and we do have at-risk schools there with needs as well. We appreciate the bill and the incentives being brought forward.

SENATOR ROBERSON:

I would like to ask Mr. Erquiaga to come back up and would like to personally thank you for all the work you have done on this bill.

MR. ERQUIAGA:

I would like to thank the witnesses who came forward and the leadership of both Houses who are sponsors of this measure. Governor Sandoval has demonstrated he follows through when he says he listens, and he brings you the measure before you. Some of you have heard me say in public testimony that I am Nevada's twenty-seventh Superintendent of Public Instruction. You have also heard me say my job dates from the original Constitution and that the first three superintendents in this State were all ministers. I get that need for prayer a lot in my job. Like you, I hold a job many have held before me, and I am somewhat fascinated by my predecessors and try to read about them when possible. In the spirit of something said by Senator Spearman, I recall something I read. In 1920, the State Superintendent of Public Instruction was a gentleman named W.G. Hunting. My staff has done a nice job of gifting me with historical documents from the department—they know I am a huge nerd—and I spend my evenings pouring over those documents. I thought I would close our support for Senate Bill No. 511 with this quote from, I believe, W.G. Hunting in 1920: "The teaching spirit must be cherished. The spirit of service to childhood, of faith in the abounding possibilities of boys and girls, and a sincere pledge of personal consecration to the sacred task is given unto the teachers' hands." That is what this bill is about.

This bill is about what the Governor always calls the New Nevada and what he refers to as the Nevada family. This bill places the sacred vow of a teacher's work and that teaching spirit they bring to their job every day at the forefront of our policy discussions as we bring to a conclusion, this Session, that has been so focused on education. I would commend this bill to you on behalf of Governor Sandoval and the Department of Education and leave you with the thought of the teaching spirit and the needs of the adults and children that are in our care.

RAY BACON (Nevada Manufacturers Association):

Crystal Abba informed me about two years ago that UNR had created a program that incentivized STEM students—math, engineering, technology and science students—to take four education courses and graduate with a teaching certificate in addition to their science or engineering degree. It sounds like this program would fit directly into those students, but it was not addressed by the University System. This is a reasonable question to ask. If not, it is a minor change to ensure they are included in this program. I believe UNLV was supposed to do the same thing, but I do not know if this happened.

JOHN EPPOLITO:

I am a former K-12 teacher, and I have four children in public school.

SENATOR ROBERSON:

How are you here to testify?

MR. EPPOLITO:

I am here to testify neutral.

SENATOR ROBERSON:

Please keep your comments to the bill.

MR. EPPOLITO:

Last year, Incline Elementary School lost about 15 percent of our teachers, in part, because of the new education standards.

SENATOR ROBERSON:

Please keep your comments to the bill. There will be public comment at the end of the hearing. Please comment on Senate Bill No. 511.

MR. EPPOLITO:

I just listened to an hour of testimony by paid lobbyists. I am a parent and a teacher and would like to testify.

SENATOR ROBERSON:

You can testify on the bill. If you would like to talk about matters not related to the bill, you can talk about them during public comment.

MR. EPPOLITO:

I believe this is related to the bill.

SENATOR ROBERSON:

I will be the judge of that, please continue.

MR. EPPOLITO:

Last year, Incline Elementary School lost about 15 percent of our teachers, in part because of the new education standards. The teachers we lost were our most popular, experienced and by most measures, our best teachers. On March 3, 2015, National Public Radio ran a story titled: "Where Have All the Teachers Gone?" Eric Westerville summed it up nicely with this quote: "The list of potential headaches for new teachers is long, starting with the on-going ideologically fisticuffs over the Common Core State Standards, high-stakes testing and efforts to link test results to teacher evaluations. Throw in the erosion of tenure protections and a variety of recession-induced budget cuts, and you have the makings of a real crisis."

I know people want to claim this is an ideological battle. I am a Republican, and I find the strongest arguments against the new standards come from the far left. As a teacher, my favorite assignment was an inner-city middle school in Stockton, California where I taught math for three years. All of my principal evaluations were well above average. I would consider teaching again if two things happened; first, the pay increased substantially; and second, I did not have to teach the new ridiculous, convoluted and harmful Common Core math.

Dr. James Milgram of Stanford University, is one of the most respected math curriculum specialists in the United States. Dr. Milgram was also on the Common Core validation and the Common Core feedback committees. He spoke here in January.

SENATOR ROBERSON:

Mr. Eppolito, I am happy to have you discuss Common Core Standards, but you need to do it at the appropriate time, which is at the end of this hearing during public comment, not during testimony of Senate Bill No. 511. There is nothing in this bill that has to do with standards. You can finish your testimony during public comment.

MR. EPPOLITO:

I heard much testimony in the last hour from paid lobbyists that did not have to do with this bill. I only have a few seconds more of my testimony.

SENATOR ROBERSON:

Please proceed.

MR. EPPOLITO:

Dr. Milgram, the expert from the state of California, was called on to rewrite the failing math standards for California that were used until the mid-1990s. There are 13 years of data to show Milgram's new standards greatly improved student math performance in California. There are also a lot of data to show that after four years of the old, failed California math standards, most students never recovered mathematically. Most disturbing is the fact Dr. Milgram told us, in this room, that Common Core is almost the same as the old California math standards. No matter how much money Gates, Walton and Eli Broad put into Common Core, it will fail. It is just a matter of time and how many children get harmed before we can stop it. Thank you, Mr. Chair.

SENATOR ROBERSON:

Thank you, Mr. Eppolito, you are nothing if not irrepressible. Do you have any comments on the bill itself?

MR. EPPOLITO:

No, I do not.

SENATOR ROBERSON:

I will close the hearing on Senate Bill No. 511.

Senator Ford moved to do pass Senate Bill No. 511.

Senator Harris seconded the motion.

Motion carried.

On the motion of Senator Kieckhefer, seconded by Senator Settlemeyer, the Committee did rise, return and report to the Senate.

Motion carried.

SENATE IN SESSION

At 12:58 p.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Commerce, Labor and Energy, 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: Do pass.

JAMES A. SETTELMAYER, *Chair*

Mr. President:

Your Committee of the Whole, to which was referred Senate Bill No. 511, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MICHAEL ROBERSON, *Chair*

Mr. President:

Your Committee on Finance, to which were re-referred Senate Bills Nos. 163, 302, 508 has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

BEN KIECKHEFER, *Chair*

Mr. President:

Your Committee on Legislative Operations and Elections, to which was referred Senate Bill No. 269, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

PATRICIA FARLEY, *Chair*

SECOND READING AND AMENDMENT

Senate Bill No. 269.

Bill read second time.

The following amendment was proposed by the Committee on Legislative Operations and Elections:

Amendment No. 991.

SUMMARY—Establishes an interim study committee to research issues regarding the behavioral health and cognitive care of older persons.

AN ACT relating to health care; establishing an interim study committee to research issues regarding the behavioral and cognitive care of older persons; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill establishes an interim study committee to research: (1) potential sources of state funding to support programs to aid caregivers that are providing care to older persons with behavioral and cognitive health issues; (2) potential sources of funding to assist Nevada's Care Connection and Nevada 2-1-1 in creating a "No Wrong Door" program to assist caregivers of older adults with behavioral and cognitive health issues; (3) the potential for establishing a higher rate of reimbursement by Medicaid for nursing facilities prepared and trained to support older persons with behavioral and cognitive needs; and (4) the provision of education and training for health care professionals in the screening, diagnosis and treatment of behavioral and cognitive diseases prevalent in older persons. This bill requires the Department of Health and Human Services to provide administrative and technical assistance to the committee.

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

Section 1. The Legislature hereby finds and declares that:

1. Older persons with behavioral and cognitive health issues are among the most treasured and vulnerable assets of this State.
2. The proportion of the population of the United States and of the State of Nevada that consists of older persons continues to grow.
3. As the proportion of our population grows to consist increasingly of older persons, information and knowledge pertaining to behavioral and cognitive diseases prevalent in older persons becomes ever more crucial.

4. At present, many of the persons who care for older persons with behavioral and cognitive health issues are unable to readily obtain the information and training necessary to care for their loved ones in the most beneficial manner.

5. It is increasingly more important to identify gifts, grants, programs and other sources of money that may be used for the benefit of older persons in this State with behavioral and cognitive health issues.

6. It is progressively more imperative that natural persons, agencies and other resources within this State be knowledgeable and aware concerning behavioral and cognitive diseases prevalent in older persons.

Sec. 2. 1. The Legislative Commission shall appoint a committee to conduct an interim study concerning unmet needs related to the behavioral and cognitive care of older persons in this State.

2. The committee appointed by the Legislative Commission to conduct the study must be composed of six Legislators as follows:

- (a) Two members appointed by the Majority Leader of the Senate;
- (b) Two members appointed by the Speaker of the Assembly;
- (c) One member appointed by the Minority Leader of the Senate; and
- (d) One member appointed by the Minority Leader of the Assembly.

3. The committee shall consult with and solicit input from natural persons and organizations with expertise in matters relevant to the behavioral and cognitive care of older persons in this State, including, without limitation:

(a) An employee or other person selected or otherwise designated by the Administrator of the Division of Public and Behavioral Health of the Department of Health and Human Services.

(b) The Chair of the Governor's Behavioral Health and Wellness Council, created by the Governor by executive order on December 13, 2013.

(c) A representative from an association that provides services to persons with Alzheimer's disease.

(d) A medical professional with expertise in cognitive disorders.

(e) A representative of the Nevada System of Higher Education with expertise in cognitive disorders.

(f) A representative from a nonprofit community agency that provides caregiver support and services to older Nevadans with behavioral health or cognitive issues.

(g) The Administrator of the Aging and Disability Services Division or other person from the Division designated by the Administrator.

4. The Legislative Commission shall appoint a Chair and a Vice Chair from among the members of the committee.

5. The members of the committee serve terms of 2 years, beginning as soon as practicable on or after July 1, 2015, and ending on June 30, 2017. Any vacancy occurring in the membership of the committee must be filled in the same manner as the original appointment not later than 30 days after the vacancy occurs.

6. The committee shall meet at least twice each year and may meet at such further times as deemed necessary by the Chair.

7. A majority of the members of the committee 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.

8. ~~The committee shall comply with the provisions of chapter 241 of NRS, and all meetings of the committee must be conducted in accordance with that chapter.~~

~~9.~~ For each day or portion of a day during which a member of the committee attends a meeting of the committee or is otherwise engaged in the business of the committee, except during a regular or special session of the Legislature, the member is entitled to receive the:

(a) Compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session;

(b) Per diem allowance provided for state officers generally; and

(c) Travel expenses provided pursuant to NRS 218A.655.

➤ The compensation, per diem allowances and travel expenses of the members of the committee must be paid from the Legislative Fund.

~~10.~~ 9. The committee shall research:

(a) Potential sources of state funding available to support evidence-based statewide community programs to aid caregivers that are caring for older persons with behavioral and cognitive health issues. Such funding may be utilized for:

(1) Offering information about programs and services designed to aid caregivers that are caring for older persons with behavioral and cognitive health issues;

(2) The provision of training in select evidence-based community programs for caregivers, social service providers, health care workers and family members;

(3) The creation of a sliding fee scale to address the affordability of mental health services;

(4) Providing a substitute caregiver to ensure the safety of an older person who has behavioral or cognitive health issues while the family attends training; and

(5) The creation of a sliding fee scale to address the affordability of respite services;

(b) Potential sources of state funding to assist Nevada's Care Connection and Nevada 2-1-1 in the creation of a "No Wrong Door" program to assist caregivers of older persons with behavioral and cognitive health issues;

(c) The potential for establishing a higher rate of reimbursement by Medicaid for nursing facilities prepared and trained to support older adults with behavioral and cognitive health needs thereby allowing such older adults to remain in their own communities rather than being placed in out-of-state facilities; and

(d) The provision of education and training for health care professionals in the screening, diagnosis and treatment of behavioral and cognitive diseases prevalent in older persons.

~~[11.]~~ 10. The committee shall submit a report of its findings, including, without limitation, any recommendations for legislation, to the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature.

Sec. 3. The Department of Health and Human Services shall provide administrative and technical assistance to the committee appointed pursuant to section 2 of this act.

Sec. 4. The provisions of section 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. 5. This act becomes effective on July 1, 2015.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

This amendment adds two individuals to the list of persons and organizations that may be consulted as part of the interim study, and it does make a technical deletion to the bill.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 508.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 978.

SUMMARY—~~[Provides for long term modernization of]~~ Revises provisions governing the Nevada Plan. (BDR 34-1184)

AN ACT relating to education; revising provisions governing the Nevada Plan; removing the provisions requiring a single annual count of pupils enrolled in public schools and requiring school districts to make quarterly reports of average daily enrollment; prospectively removing the provision of funding through the use of special education program units and including a multiplier to the basic support guarantee for pupils with disabilities; revising provisions governing the inclusion of pupils enrolled in kindergarten; revising provisions governing the hold harmless provisions for school districts and charter schools; creating the Contingency Account for Special Education; revising provisions governing certain persons with disabilities; requiring the Department of Education to develop a plan for implementing a multiplier to the basic support guarantee for certain categories of pupils; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Nevada Plan and declares that "the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity." (NRS 387.121) To accomplish this objective, the Legislature establishes, during each legislative

session and for each school year of the biennium, an estimated statewide average basic support guarantee per pupil for each school district and the basic support guarantee for each special education program unit. (NRS 387.122, 387.1221) The basic support guarantee for each school district is computed by multiplying the basic support guarantee per pupil that is established by law for the school district for each school year by pupil enrollment and adding funding for special education program units. (NRS 387.1221-387.1233; *see, e.g.*, chapter 382, Statutes of Nevada 2013, p. 2053) The calculation of basic support is based upon the count of pupils enrolled in public schools of the school district on the last day of the first school month of the school district, commonly referred to as "the count day." Under existing law, pupils enrolled in kindergarten are counted as six-tenths the count of pupils who are enrolled in grades 1 to 12, inclusive. (NRS 387.1233)

Section 4 of this bill expresses the intent of the Legislature ~~to modernize the Nevada Plan,~~ commencing with Fiscal Year 2016-2017, ~~by providing additional~~ to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils. (NRS 387.121) Section 9 of this bill removes "the count day" and instead requires the school districts to report to the Department of Education "average daily enrollment," which is defined in section 5 of this bill, on a quarterly basis. (NRS 387.1211) Section 9 also requires the Department to prescribe a process to reconcile the quarterly reports of average daily enrollment to account for pupils who leave the school district or a public school during the school year. Section 11 of this bill removes, effective July 1, 2017, the requirement that pupils enrolled in kindergarten be counted as six-tenths and instead includes those pupils in the regular reporting of average daily enrollment with the pupils enrolled in grades 1 to 12, inclusive.

Section 30 of this bill repeals, effective July 1, 2016, the provision of funding for special education through special education program units and instead section 7 of this bill requires that the basic support guarantee per pupil for each school district include a multiplier for pupils with disabilities. (NRS 387.1221, 387.122) Section 24 of this bill creates the Contingency Account for Special Education Services and requires the State Board of Education to adopt regulations for the application, approval and disbursement of money ~~from the Account~~ to reimburse the school districts and charter schools for extraordinary program expenses and related services for pupils with significant disabilities.

Under existing law, if the enrollment of pupils in a school district or a charter school that is located in the school district on the count day is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school for the immediately preceding school year, the

largest number from the immediately preceding 2 school years must be used for apportionment purposes to the school district or charter school, commonly referred to as the "hold harmless provision." (NRS 387.1233) Section 9 of this bill revises this hold harmless provision so that if the enrollment of pupils in a school district or charter school based upon the average daily enrollment during the quarter is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school during the same quarter of the immediately preceding school year, the enrollment of pupils during the quarter in the immediately preceding school year must be used for purposes of apportioning money to the school district or charter school. Also under existing law, there is a hold harmless provision if a school district or a charter school has an enrollment of pupils on count day that is more than 95 percent of the enrollment of pupils in the same school district or charter school for the immediately preceding school year, the larger enrollment number from the current school year or the immediately preceding school year must be used for apportioning money to the school district or charter school. (NRS 387.1233) Section 9 removes this hold harmless provision.

Section 28 of this bill requires the Department of Education to develop a plan as soon as practicable to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils. The plan must include: (1) the amount of the multiplier for each such category of pupils; and (2) the date by which the plan should be implemented or phased in, with full implementation occurring not later than Fiscal Year 2021-2022. Section 28 further requires the Department to submit the plan to the Legislative Committee on Education for its review and consideration during the 2015-2016 interim and requires the Committee to submit a report on the plan on or before October 1, 2016, to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature. Section 28 also requires the Superintendent of Public Instruction to submit a report on or before October 1, 2016, to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature that includes : (1) the per pupil expenditures associated with legislative appropriations for pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils ~~;~~ ; and (2) any recommendations for legislation to address the unique needs of those pupils. Section 29 of this bill provides for the allocation of funding for pupils with disabilities for Fiscal Year 2016-2017.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 386.513 is hereby amended to read as follows:

386.513 1. The State Public Charter School Authority is hereby deemed a local educational agency for the purpose of directing the

proportionate share of any money available from federal and state categorical grant programs to charter schools which are sponsored by the State Public Charter School Authority or a college or university within the Nevada System of Higher Education that are eligible to receive such money. A charter school that receives money pursuant to such a grant program shall comply with any applicable reporting requirements to receive the grant.

2. ~~If the charter school is eligible to receive special education program units, the Department shall pay the special education program units directly to the 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. 2. NRS 386.570 is hereby amended to read as follows:

386.570 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the school district for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive. If a charter school receives special education program units directly from this State, the amount of money for special education that the school district pays to the charter school may be reduced proportionately by the amount of money the charter school received from this State for that purpose. The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department, including local funds pursuant to NRS 387.1235.

2. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

3. Upon completion of each school quarter, the Superintendent of Public Instruction shall pay to the sponsor of a charter school one-quarter of the yearly sponsorship fee for the administrative costs associated with sponsorship for that school quarter, which must be deducted from the quarterly apportionment to the charter school made pursuant to NRS 387.124. Except as otherwise provided in subsection 4, the yearly sponsorship fee for the sponsor of a charter school must be in an amount of money not to exceed 2 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124.

4. If the governing body of a charter school satisfies the requirements of this subsection, the governing body may submit a request to the sponsor of the charter school for approval of a sponsorship fee in an amount that is less than 2 percent but at least 1 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124. The sponsor of the charter school shall approve such a request if the sponsor of the charter school determines that the charter school satisfies the requirements of this subsection. If the sponsor of the charter school approves such a request, the sponsor shall provide notice of the decision to the governing body of the charter school and the Superintendent of Public Instruction. If the sponsor of the charter school denies such a request, the governing body of the charter school may appeal the decision of the sponsor to the Superintendent of Public Instruction. Upon appeal, the sponsor of the charter school and the governing body of the charter school are entitled to present evidence. The decision of the Superintendent of Public Instruction on the appeal is final and is not subject to judicial review. The governing body of a charter school may submit a request for a reduction of the sponsorship fee pursuant to this subsection if:

(a) The charter school satisfies the requirements of subsection 1 of NRS 386.5515; and

(b) There has been a decrease in the duties of the sponsor of the charter school that justifies a decrease in the sponsorship fee.

5. To determine the amount of money for distribution to a charter school in its first year of operation, the count of pupils who are enrolled in the charter school must initially be determined 30 days before the beginning of the school year of the school district, based on the number of pupils whose applications for enrollment have been approved by the charter school. The count of pupils who are enrolled in the charter school must be revised ~~for the last day of the first school month of the school district in which the charter school is located for the school year,~~ *each quarter* based on the ~~actual number~~ *average daily enrollment* of pupils ~~who are enrolled~~ in the charter school ~~that is reported for that quarter pursuant to NRS 387.1233.~~ Pursuant to subsection 5 of NRS 387.124, the governing body of a charter school may request that the apportionments made to the charter school in its first year of operation be paid to the charter school 30 days before the apportionments are otherwise required to be made.

6. If a charter school ceases to operate as a charter school during a school year, the remaining apportionments that would have been made to the charter school pursuant to NRS 387.124 for that year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the charter school reside.

7. The governing body of a charter school may solicit and accept donations, money, grants, property, loans, personal services or other assistance for purposes relating to education from members of the general public, corporations or agencies. The governing body may comply with

applicable federal laws and regulations governing the provision of federal grants for charter schools. The State Public Charter School Authority may assist a charter school that operates exclusively for the enrollment of pupils who receive special education in identifying sources of money that may be available from the Federal Government or this State for the provision of educational programs and services to such pupils.

Sec. 3. NRS 386.570 is hereby amended to read as follows:

386.570 1. Each pupil who is enrolled in a charter school, including, without limitation, a pupil who is enrolled in a program of special education in a charter school, must be included in the count of pupils in the school district for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory attendance pursuant to NRS 392.070. A charter school is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive. ~~If a charter school receives special education program units directly from this State, the amount of money for special education that the school district pays to the charter school may be reduced proportionately by the amount of money the charter school received from this State for that purpose.~~ The State Board shall prescribe a process which ensures that all charter schools, regardless of the sponsor, have information about all sources of funding for the public schools provided through the Department, including local funds pursuant to NRS 387.1235.

2. All money received by the charter school from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State. The governing body of a charter school may negotiate with the board of trustees of the school district and the State Board for additional money to pay for services which the governing body wishes to offer.

3. Upon completion of each school quarter, the Superintendent of Public Instruction shall pay to the sponsor of a charter school one-quarter of the yearly sponsorship fee for the administrative costs associated with sponsorship for that school quarter, which must be deducted from the quarterly apportionment to the charter school made pursuant to NRS 387.124. Except as otherwise provided in subsection 4, the yearly sponsorship fee for the sponsor of a charter school must be in an amount of money not to exceed 2 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124.

4. If the governing body of a charter school satisfies the requirements of this subsection, the governing body may submit a request to the sponsor of the charter school for approval of a sponsorship fee in an amount that is less than 2 percent but at least 1 percent of the total amount of money apportioned to the charter school during the school year pursuant to NRS 387.124. The sponsor of the charter school shall approve such a request if the sponsor of

the charter school determines that the charter school satisfies the requirements of this subsection. If the sponsor of the charter school approves such a request, the sponsor shall provide notice of the decision to the governing body of the charter school and the Superintendent of Public Instruction. If the sponsor of the charter school denies such a request, the governing body of the charter school may appeal the decision of the sponsor to the Superintendent of Public Instruction. Upon appeal, the sponsor of the charter school and the governing body of the charter school are entitled to present evidence. The decision of the Superintendent of Public Instruction on the appeal is final and is not subject to judicial review. The governing body of a charter school may submit a request for a reduction of the sponsorship fee pursuant to this subsection if:

(a) The charter school satisfies the requirements of subsection 1 of NRS 386.5515; and

(b) There has been a decrease in the duties of the sponsor of the charter school that justifies a decrease in the sponsorship fee.

5. To determine the amount of money for distribution to a charter school in its first year of operation, the count of pupils who are enrolled in the charter school must initially be determined 30 days before the beginning of the school year of the school district, based on the number of pupils whose applications for enrollment have been approved by the charter school. The count of pupils who are enrolled in the charter school must be revised each quarter based on the average daily enrollment of pupils in the charter school that is reported pursuant to NRS 387.1233. Pursuant to subsection 5 of NRS 387.124, the governing body of a charter school may request that the apportionments made to the charter school in its first year of operation be paid to the charter school 30 days before the apportionments are otherwise required to be made.

6. If a charter school ceases to operate as a charter school during a school year, the remaining apportionments that would have been made to the charter school pursuant to NRS 387.124 for that year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the charter school reside.

7. The governing body of a charter school may solicit and accept donations, money, grants, property, loans, personal services or other assistance for purposes relating to education from members of the general public, corporations or agencies. The governing body may comply with applicable federal laws and regulations governing the provision of federal grants for charter schools. The State Public Charter School Authority may assist a charter school that operates exclusively for the enrollment of pupils who receive special education in identifying sources of money that may be available from the Federal Government or this State for the provision of educational programs and services to such pupils.

Sec. 4. NRS 387.121 is hereby amended to read as follows:

387.121 1. The Legislature declares that the proper objective of state financial aid to public education is to ensure each Nevada child a reasonably equal educational opportunity. Recognizing wide local variations in wealth and costs per pupil, this State should supplement local financial ability to whatever extent necessary in each school district to provide programs of instruction in both compulsory and elective subjects that offer full opportunity for every Nevada child to receive the benefit of the purposes for which public schools are maintained. Therefore, the quintessence of the State's financial obligation for such programs can be expressed in a formula partially on a per pupil basis and partially on a per program basis as: State financial aid to school districts equals the difference between school district basic support guarantee and local available funds produced by mandatory taxes minus all the local funds attributable to pupils who reside in the county but attend a charter school or a university school for profoundly gifted pupils. This formula is designated the Nevada Plan.

2. *It is the intent of the Legislature ~~to modernize the Nevada Plan,~~ commencing with Fiscal Year 2016-2017, ~~by providing~~ to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of certain categories of pupils, including, without limitation, pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils. As used in this subsection, "pupils who are at risk" means pupils who are eligible for free or reduced-price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.*

Sec. 5. NRS 387.1211 is hereby amended to read as follows:

387.1211 As used in NRS 387.121 to 387.126, inclusive:

1. "Average daily attendance" means the total number of pupils attending a particular school each day during a period of reporting divided by the number of days school is in session during that period.

2. "Average daily enrollment" means the total number of pupils enrolled in and scheduled to attend a public school in a specific school district during a period of reporting divided by the number of days school is in session during that period.

3. "Enrollment" means the count of pupils enrolled in and scheduled to attend programs of instruction of a school district, charter school or university school for profoundly gifted pupils at a specified time during the school year.

~~{3-}~~ 4. "Special education program unit" means an organized unit of special education and related services which includes full-time services of persons licensed by the Superintendent of Public Instruction or other appropriate licensing body, providing a program of instruction in accordance with minimum standards prescribed by the State Board.

Sec. 6. NRS 387.1211 is hereby amended to read as follows:

387.1211 As used in NRS 387.121 to 387.126, inclusive:

1. "Average daily attendance" means the total number of pupils attending a particular school each day during a period of reporting divided by the number of days school is in session during that period.

2. "Average daily enrollment" means the total number of pupils enrolled in and scheduled to attend a public school in a specific school district during a period of reporting divided by the number of days school is in session during that period.

3. "Enrollment" means the count of pupils enrolled in and scheduled to attend programs of instruction of a school district, charter school or university school for profoundly gifted pupils at a specified time during the school year.

~~[4. "Special education program unit" means an organized unit of special education and related services which includes full time services of persons licensed by the Superintendent of Public Instruction or other appropriate licensing body, providing a program of instruction in accordance with minimum standards prescribed by the State Board.]~~

Sec. 7. NRS 387.122 is hereby amended to read as follows:

387.122 1. For making the apportionments of the State Distributive School Account in the State General Fund required by the provisions of this title, the basic support guarantee per pupil for each school district ~~for~~ ~~including, without limitation, a multiplier for pupils with disabilities,~~ and the basic support guarantee for each special education program unit maintained and operated during at least 9 months of a school year are established by law for each school year. *The formula for calculating the basic support guarantee may be expressed as an estimated weighted average per pupil, based on the total expenditures for public education in the immediately preceding even-numbered fiscal year, plus any legislative appropriations for the immediately succeeding biennium, minus those local funds not guaranteed by the State pursuant to NRS 387.1235.*

2. *The estimated weighted average per pupil for the State must be calculated as a basic support guarantee for each school district through an equity allocation model that incorporates:*

(a) *Factors relating to wealth in the school district;*

(b) *Salary costs;*

(c) *Transportation; and*

(d) *Any other factor determined by the Superintendent of Public Instruction after consultation with the school districts and the State Public Charter School Authority.*

3. ~~Except as otherwise provided in this subsection, the funding provided to each school district pursuant to the multiplier for pupils with disabilities must not exceed 13 percent of total pupil enrollment for the school district. If a school district has reported an enrollment of pupils with disabilities equal to more than 13 percent of total pupil enrollment for the average of the last 3 fiscal years, the school district must receive money equal to the average of the enrollment of pupils with disabilities for those 3 fiscal years or an~~

~~amount necessary to satisfy requirements for maintenance of effort under federal law, whichever is higher.~~

~~4.1~~ Not later than July 1 of each even-numbered year, the Superintendent of Public Instruction shall review and, if necessary, revise the factors used for the equity allocation model adopted for the previous biennium and present the ~~revised formula~~ review and any revisions at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Superintendent of Public Instruction shall consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations in the equity allocation model and adopt the ~~formula and~~ model. The Superintendent of Public Instruction shall submit ~~the~~ the equity allocation model to the:

- (a) Governor for inclusion in the proposed executive budget.
- (b) Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.

~~5.1~~ 4. The Department shall make available updated information regarding the ~~formula~~ equity allocation model on the Internet website maintained by the Department.

Sec. 8. NRS 387.122 is hereby amended to read as follows:

387.122 1. For making the apportionments of the State Distributive School Account in the State General Fund required by the provisions of this title, the basic support guarantee per pupil for each school district ~~and the basic support guarantee for each special education program unit maintained and operated during at least 9 months of a school year are~~ is established by law for each school year. The formula for calculating the basic support guarantee may be expressed as an estimated weighted average per pupil, based on the total expenditures for public education in the immediately preceding *even-numbered* fiscal year, plus any legislative appropriations for the immediately succeeding biennium, minus those local funds not guaranteed by the State pursuant to NRS 387.1235.

2. The estimated weighted average per pupil for the State must be calculated as a basic support guarantee for each school district through an equity allocation model that incorporates:

- (a) Factors relating to wealth in the school district;
- (b) Salary costs;
- (c) Transportation; and
- (d) Any other factor determined by the Superintendent of Public Instruction after consultation with the school districts and the State Public Charter School Authority.

3. The basic support guarantee per pupil must include a multiplier for pupils with disabilities. Except as otherwise provided in this subsection, the funding provided to each school district and charter school through the multiplier for pupils with disabilities is limited to the actual number of pupils with disabilities enrolled in the school district or charter school, not to

exceed 13 percent of total pupil enrollment for the school district or charter school. If a school district or charter school has reported an enrollment of pupils with disabilities equal to more than 13 percent of total pupil enrollment, the school district or charter school must receive an amount of money necessary to satisfy the requirements for maintenance of effort under federal law.

4. Not later than July 1 of each even-numbered year, the Superintendent of Public Instruction shall *review and, if necessary,* revise the *factors used for the* equity allocation model adopted for the previous biennium and present the *review and any revisions* at a meeting of the Legislative Committee on Education for consideration and recommendations by the Committee. After the meeting, the Superintendent of Public Instruction shall *consider any recommendations of the Legislative Committee on Education, determine whether to include those recommendations in the equity allocation model and* adopt the *model. The Superintendent of Public Instruction shall submit the equity allocation model* to the :

(a) Governor for inclusion in the proposed executive budget.

(b) Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature.

~~4.4~~ 5. The Department shall make available updated information regarding the *equity allocation model* on the Internet website maintained by the Department.

Sec. 9. NRS 387.1233 is hereby amended to read as follows:

387.1233 1. *On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.*

2. Except as otherwise provided in subsection ~~[2,]~~ 3, 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,]~~ , based on the average daily enrollment of those pupils during the quarter, 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,]~~ , based on the average daily enrollment of those pupils during the quarter, 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.]~~, *based on the average daily enrollment of those pupils during the quarter.*

(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.]~~, *based on the average daily enrollment of those pupils during the quarter and 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.]~~, *based on the average daily enrollment of those pupils during the quarter and 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.]~~ *based on the average daily enrollment of those pupils during the quarter and 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.]~~, *based on the average daily enrollment of those pupils during the quarter.*

(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.]~~, *based on the average daily enrollment of those pupils during the quarter.*

(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 or subsection 3 of NRS 392.070, *based on the average daily enrollment of pupils during the quarter and 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.}~~ 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 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}~~ 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.

~~{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. *The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.*

6. 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.}~~ 7. 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.}~~ 8. 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. 10. NRS 387.1233 is hereby amended to read as follows:

387.1233 1. On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.

2. Except as otherwise provided in subsection 3, 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, based on the average daily enrollment of those pupils during the quarter, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school.

(2) The count of pupils enrolled in grades 1 to 12, inclusive, based on the average daily enrollment of those pupils during the quarter, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school 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, based on the average daily enrollment of those pupils during the quarter.

(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, based on the average daily enrollment of those pupils during the quarter and 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, based on the average daily enrollment of those pupils during the quarter and 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, based on the average daily enrollment of those pupils during the quarter and 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.

(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, based on the average daily enrollment of those pupils during the quarter.

(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, based on the average daily enrollment of those pupils during the quarter.

(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 or subsection 3 of NRS 392.070, based on the average daily enrollment of pupils during the quarter and 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) ~~Multiplied 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).~~

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~~ *based on the average daily enrollment of pupils during the quarter of 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~~ *based on the average daily enrollment of pupils during the* ~~last day of the first school month of the school district for~~ *same quarter of the immediately preceding school year,* the *enrollment of pupils during the same quarter of the immediately preceding school year* must be used for purposes of ~~apportioning money~~ *making the quarterly apportionments* 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, 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. The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.

6. 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.

7. 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.

8. 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. 11. NRS 387.1233 is hereby amended to read as follows:

387.1233 1. On or before October 1, January 1, April 1 and July 1, each school district shall report to the Department, in the form prescribed by the Department, the average daily enrollment of pupils pursuant to this section for the immediately preceding quarter of the school year.

2. Except as otherwise provided in subsection 3, 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, based on the average daily enrollment of those pupils during the quarter, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school. —}~~

~~—(2)}~~ The count of pupils enrolled in *kindergarten and* grades 1 to 12, inclusive, based on the average daily enrollment of those pupils during the quarter, including, without limitation, the count of pupils who reside in the county and are enrolled in any charter school and the count of pupils who are enrolled in a university school for profoundly gifted pupils located in the county.

~~{(3)}~~ (2) The count of pupils not included under subparagraph (1) ~~for~~ ~~(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, based on the average daily enrollment of those pupils during the quarter.

~~{(4)}~~ (3) 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, based on the average daily enrollment of those pupils during the quarter and 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)}~~ (1).

(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, based on the average daily enrollment of those pupils during the quarter and 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)]~~ (1).

~~[(5)]~~ (4) The count of pupils not included under subparagraph (1), (2) ~~[(1)]~~ or (3) , ~~[(or (4))]~~ who are receiving special education pursuant to the provisions of NRS 388.440 to 388.520, inclusive, based on the average daily enrollment of those pupils during the quarter and 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.

~~[(6)]~~ (5) 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, based on the average daily enrollment of those pupils during the quarter.

~~[(7)]~~ (6) 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, based on the average daily enrollment of those pupils during the quarter.

~~[(8)]~~ (7) 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 or subsection 3 of NRS 392.070, based on the average daily enrollment of pupils during the quarter and 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)]~~ (1).

(b) Adding the amounts computed in paragraph (a).

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 based on the average daily enrollment of pupils during the quarter of the school year is less than or equal to 95 percent of the enrollment of pupils in the same school district or charter school based on the average daily enrollment of pupils during the same quarter of the immediately preceding school year, the enrollment of pupils during the same quarter of the immediately preceding school year must be used for purposes of making the quarterly apportionments 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, 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. The Department shall prescribe a process for reconciling the quarterly reports submitted pursuant to subsection 1 to account for pupils who leave the school district or a public school during the school year.

6. 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.

7. 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.

8. 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. 12. NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.528:

1. On or before August 1, November 1, February 1 and May 1 of each year, the Superintendent of Public Instruction shall apportion the State Distributive School Account in the State General Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating one-fourth of their respective yearly apportionments less any amount set aside as a reserve. Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the difference between the basic support and the local funds available pursuant to NRS 387.1235, minus all the funds attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school and all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils located in the county. No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.

2. Except as otherwise provided in subsection 3 and NRS 387.1244, the apportionment to a charter school, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides minus the sponsorship fee prescribed by NRS 386.570 and minus all the funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school. If the apportionment per pupil to a charter school is more than the amount to be apportioned to the school district in which a pupil who is enrolled in the charter school resides, the school district in which the pupil resides shall pay the difference directly to the charter school.

3. Except as otherwise provided in NRS 387.1244, the apportionment to a charter school that is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher

Education, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides, minus the sponsorship fee prescribed by NRS 386.570 and minus all funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school.

4. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, an apportionment must be made to a school district or charter school that provides a program of distance education for each pupil who is enrolled part-time in the program. The amount of the apportionment must be equal to the percentage of the total time services are provided to the pupil through the program of distance education 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) of paragraph (a) of subsection ~~4~~ 2 of NRS 387.1233 for the school district in which the pupil resides.

5. The governing body of a charter school may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the charter school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A charter school may receive all four apportionments in advance in its first year of operation.

6. Except as otherwise provided in NRS 387.1244, the apportionment to a university school for profoundly gifted pupils, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the university school is located plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the university school is located. If the apportionment per pupil to a university school for profoundly gifted pupils is more than the amount to be apportioned to the school district in which the university school is located, the school district shall pay the difference directly to the university school. The governing body of a university school for profoundly gifted pupils may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the university school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A university school for profoundly gifted pupils may receive all four apportionments in advance in its first year of operation.

7. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

8. If the State Controller finds that such an action is needed to maintain the balance in the State General Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one-twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.

Sec. 13. NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.528:

1. On or before August 1, November 1, February 1 and May 1 of each year, the Superintendent of Public Instruction shall apportion the State Distributive School Account in the State General Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating one-fourth of their respective yearly apportionments less any amount set aside as a reserve. Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the difference between the basic support and the local funds available pursuant to NRS 387.1235, minus all the funds attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school and all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils located in the county. No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.

2. Except as otherwise provided in subsection 3 and NRS 387.1244, the apportionment to a charter school, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides minus the sponsorship fee prescribed by NRS 386.570 and minus all the funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school. If the apportionment per pupil to a charter school is more than the amount to be apportioned to the school district in which a pupil who is enrolled in the

charter school resides, the school district in which the pupil resides shall pay the difference directly to the charter school.

3. Except as otherwise provided in NRS 387.1244, the apportionment to a charter school that is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher Education, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides, minus the sponsorship fee prescribed by NRS 386.570 and minus all funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school.

4. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, an apportionment must be made to a school district or charter school that provides a program of distance education for each pupil who is enrolled part-time in the program. The amount of the apportionment must be equal to the percentage of the total time services are provided to the pupil through the program of distance education 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)}}~~ (1) of paragraph (a) of subsection 2 of NRS 387.1233 for the school district in which the pupil resides.

5. The governing body of a charter school may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the charter school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A charter school may receive all four apportionments in advance in its first year of operation.

6. Except as otherwise provided in NRS 387.1244, the apportionment to a university school for profoundly gifted pupils, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the university school is located plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the university school is located. If the apportionment per pupil to a university school for profoundly gifted pupils is more than the amount to be apportioned to the school district in which the university school is located, the school district shall pay the difference directly to the university school. The governing body of a university school for profoundly gifted pupils may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the university school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent

of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A university school for profoundly gifted pupils may receive all four apportionments in advance in its first year of operation.

7. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

8. If the State Controller finds that such an action is needed to maintain the balance in the State General Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one-twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.

Sec. 14. NRS 387.1243 is hereby amended to read as follows:

387.1243 1. The first apportionment based on an estimated number of pupils and special education program units and succeeding apportionments are subject to adjustment from time to time as the need therefor may appear, including, without limitation, an adjustment made for a pupil who is not properly enrolled in or attending a public school, as determined through an independent audit or other examination conducted pursuant to NRS 387.126 or through an annual audit of the count of pupils conducted pursuant to subsection 1 of NRS 387.304.

2. The apportionments to a school district may be adjusted during a fiscal year by the Department of Education, upon approval by the State Board of Examiners and the Interim Finance Committee, if the Department of Taxation and the county assessor in the county in which the school district is located certify to the Department of Education that the school district will not receive the tax levied pursuant to subsection 1 of NRS 387.195 on property of the Federal Government located within the county if:

(a) The leasehold interest, possessory interest, beneficial interest or beneficial use of the property is subject to taxation pursuant to NRS 361.157 and 361.159 and one or more lessees or users of the property are delinquent in paying the tax; and

(b) The total amount of tax owed but not paid for the fiscal year by any such lessees and users is at least 5 percent of the proceeds that the school district would have received from the tax levied pursuant to subsection 1 of NRS 387.195.

↪ If a lessee or user pays the tax owed after the school district's apportionment has been increased in accordance with the provisions of this subsection to compensate for the tax owed, the school district shall repay to the State Distributive School Account in the State General Fund an amount equal to the tax received from the lessee or user for the year in which the school district received an increased apportionment, not to exceed the increase in apportionments made to the school district pursuant to this subsection.

3. On or before August 1 of each year, the board of trustees of a school district shall provide to the Department, in a format prescribed by the Department, the count of pupils calculated pursuant to subparagraph (8) of paragraph (a) of subsection ~~¶~~ 2 of NRS 387.1233 who completed at least one semester during the immediately preceding school year. ~~{The count of pupils submitted to the Department must be included in the final adjustment computed pursuant to subsection 4.}~~

~~4. A final adjustment for each school district, charter school and university school for profoundly gifted pupils must be computed as soon as practicable following the close of the school year, but not later than August 25. The final computation must be based upon the actual counts of pupils required to be made for the computation of basic support and the limits upon the support of special education programs, except that for any year when the total enrollment of pupils and children in a school district, a charter school located within the school district or a university school for profoundly gifted pupils located within the school district described in paragraphs (a), (b), (c) and (e) of subsection 1 of NRS 387.123 is greater on the last day of any school month of the school district after the second school month of the school district and the increase in enrollment shows at least:~~

~~(a) A 3 percent gain, basic support as computed from first month enrollment for the school district, charter school or university school for profoundly gifted pupils must be increased by 2 percent.~~

~~(b) A 6 percent gain, basic support as computed from first month enrollment for the school district, charter school or university school for profoundly gifted pupils must be increased by an additional 2 percent.~~

~~5.}~~ 4. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils exceeds the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the additional amount due must be paid before September 1. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils is less than the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the difference must be repaid to the State Distributive School Account in the State General Fund by the school district, charter school or university school for profoundly gifted pupils before September 25.

Sec. 15. NRS 387.1243 is hereby amended to read as follows:

387.1243 1. The first apportionment based on an estimated number of pupils ~~{and special education program units}~~ and succeeding apportionments are subject to adjustment from time to time as the need therefor may appear, including, without limitation, an adjustment made for a pupil who is not properly enrolled in or attending a public school, as determined through an independent audit or other examination conducted pursuant to NRS 387.126 or through an annual audit of the count of pupils conducted pursuant to subsection 1 of NRS 387.304.

2. The apportionments to a school district may be adjusted during a fiscal year by the Department of Education, upon approval by the State Board of Examiners and the Interim Finance Committee, if the Department of Taxation and the county assessor in the county in which the school district is located certify to the Department of Education that the school district will not receive the tax levied pursuant to subsection 1 of NRS 387.195 on property of the Federal Government located within the county if:

(a) The leasehold interest, possessory interest, beneficial interest or beneficial use of the property is subject to taxation pursuant to NRS 361.157 and 361.159 and one or more lessees or users of the property are delinquent in paying the tax; and

(b) The total amount of tax owed but not paid for the fiscal year by any such lessees and users is at least 5 percent of the proceeds that the school district would have received from the tax levied pursuant to subsection 1 of NRS 387.195.

↪ If a lessee or user pays the tax owed after the school district's apportionment has been increased in accordance with the provisions of this subsection to compensate for the tax owed, the school district shall repay to the State Distributive School Account in the State General Fund an amount equal to the tax received from the lessee or user for the year in which the school district received an increased apportionment, not to exceed the increase in apportionments made to the school district pursuant to this subsection.

3. On or before August 1 of each year, the board of trustees of a school district shall provide to the Department, in a format prescribed by the Department, the count of pupils calculated pursuant to subparagraph (8) of paragraph (a) of subsection 2 of NRS 387.1233 who completed at least one semester during the immediately preceding school year.

4. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils exceeds the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the additional amount due must be paid before September 1. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils is less than the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the difference must be repaid to the State Distributive

School Account in the State General Fund by the school district, charter school or university school for profoundly gifted pupils before September 25.

Sec. 16. NRS 387.1243 is hereby amended to read as follows:

387.1243 1. The first apportionment based on an estimated number of pupils and succeeding apportionments are subject to adjustment from time to time as the need therefor may appear, including, without limitation, an adjustment made for a pupil who is not properly enrolled in or attending a public school, as determined through an independent audit or other examination conducted pursuant to NRS 387.126 or through an annual audit of the count of pupils conducted pursuant to subsection 1 of NRS 387.304.

2. The apportionments to a school district may be adjusted during a fiscal year by the Department of Education, upon approval by the State Board of Examiners and the Interim Finance Committee, if the Department of Taxation and the county assessor in the county in which the school district is located certify to the Department of Education that the school district will not receive the tax levied pursuant to subsection 1 of NRS 387.195 on property of the Federal Government located within the county if:

(a) The leasehold interest, possessory interest, beneficial interest or beneficial use of the property is subject to taxation pursuant to NRS 361.157 and 361.159 and one or more lessees or users of the property are delinquent in paying the tax; and

(b) The total amount of tax owed but not paid for the fiscal year by any such lessees and users is at least 5 percent of the proceeds that the school district would have received from the tax levied pursuant to subsection 1 of NRS 387.195.

↪ If a lessee or user pays the tax owed after the school district's apportionment has been increased in accordance with the provisions of this subsection to compensate for the tax owed, the school district shall repay to the State Distributive School Account in the State General Fund an amount equal to the tax received from the lessee or user for the year in which the school district received an increased apportionment, not to exceed the increase in apportionments made to the school district pursuant to this subsection.

3. On or before August 1 of each year, the board of trustees of a school district shall provide to the Department, in a format prescribed by the Department, the count of pupils calculated pursuant to subparagraph ~~{{(8)}}~~ (7) of paragraph (a) of subsection 2 of NRS 387.1233 who completed at least one semester during the immediately preceding school year.

4. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils exceeds the actual amount paid to the school district, charter school or university school for profoundly gifted pupils during the school year, the additional amount due must be paid before September 1. If the final computation of apportionment for any school district, charter school or university school for profoundly gifted pupils is less than the actual amount paid to the school

district, charter school or university school for profoundly gifted pupils during the school year, the difference must be repaid to the State Distributive School Account in the State General Fund by the school district, charter school or university school for profoundly gifted pupils before September 25.

Sec. 16.5. NRS 387.1244 is hereby amended to read as follows:

387.1244 1. The Superintendent of Public Instruction may deduct from an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124 if the school district, charter school or university school:

(a) Fails to repay an amount due pursuant to subsection ~~(5)~~ 4 of NRS 387.1243. The amount of the deduction from the quarterly apportionment must correspond to the amount due.

(b) Fails to repay an amount due the Department as a result of a determination that an expenditure was made which violates the terms of a grant administered by the Department. The amount of the deduction from the quarterly apportionment must correspond to the amount due.

(c) Pays a claim determined to be unearned, illegal or unreasonably excessive as a result of an investigation conducted pursuant to NRS 387.3037. The amount of the deduction from the quarterly apportionment must correspond to the amount of the claim which is determined to be unearned, illegal or unreasonably excessive.

➡ More than one deduction from a quarterly apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils may be made pursuant to this subsection if grounds exist for each such deduction.

2. The Superintendent of Public Instruction may authorize the withholding of the entire amount of an apportionment otherwise payable to a school district, charter school or university school for profoundly gifted pupils pursuant to NRS 387.124, or a portion thereof, if the school district, charter school or university school for profoundly gifted pupils fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department pursuant to a statute. If a charter school fails to submit a report or other information that is required to be submitted to the Superintendent, State Board or Department through the sponsor of the charter school pursuant to a statute, the Superintendent may only authorize the withholding of the apportionment otherwise payable to the charter school and may not authorize the withholding of the apportionment otherwise payable to the sponsor of the charter school. Before authorizing a withholding pursuant to this subsection, the Superintendent of Public Instruction shall provide notice to the school district, charter school or university school for profoundly gifted pupils of the report or other information that is due and provide the school district, charter school or university school with an opportunity to comply with the statute. Any amount withheld pursuant to this subsection must be accounted for separately in the State Distributive School Account, does not revert to the State General

Fund at the end of a fiscal year and must be carried forward to the next fiscal year.

3. If, after an amount is withheld pursuant to subsection 2, the school district, charter school or university school for profoundly gifted pupils subsequently submits the report or other information required by a statute for which the withholding was made, the Superintendent of Public Instruction shall immediately authorize the payment of the amount withheld to the school district, charter school or university school for profoundly gifted pupils.

4. A school district, charter school or university school for profoundly gifted pupils may appeal to the State Board a decision of the Superintendent of Public Instruction to deduct or withhold from a quarterly apportionment pursuant to this section. The Secretary of the State Board shall place the subject of the appeal on the agenda of the next meeting for consideration by the State Board.

Sec. 17. NRS 387.191 is hereby amended to read as follows:

387.191 1. Except as otherwise provided in this subsection, the proceeds of the tax imposed pursuant to NRS 244.33561 and any applicable penalty or interest must be paid by the county treasurer to the State Treasurer for credit to the State Supplemental School Support Account, which is hereby created in the State General Fund. The county treasurer may retain from the proceeds an amount sufficient to reimburse the county for the actual cost of collecting and administering the tax, to the extent that the county incurs any cost it would not have incurred but for the enactment of this section or NRS 244.33561, but in no case exceeding the amount authorized by statute for this purpose. Any interest or other income earned on the money in the State Supplemental School Support Account must be credited to the Account.

2. On and after July 1, 2015, the money in the State Supplemental School Support Account is hereby appropriated for the operation of the school districts and charter schools of the state, as provided in this section. The money so appropriated is intended to supplement and not replace any other money appropriated, approved or authorized for expenditure to fund the operation of the public schools for kindergarten through grade 12. Any money that remains in the State Supplemental School Support Account at the end of the fiscal year does not revert to the State General Fund, and the balance in the State Supplemental School Support Account must be carried forward to the next fiscal year.

3. On or before February 1, May 1, August 1 and November 1 of 2016, and on those dates each year thereafter, the Superintendent of Public Instruction shall transfer from the State Supplemental School Support Account all the proceeds of the tax imposed pursuant to NRS 244.33561, including any interest or other income earned thereon, and distribute the proceeds proportionally among the school districts and charter schools of the state. The proportionate amount of money distributed to each school district or charter school must be determined by dividing the number of students

enrolled in the school district or charter school by the number of students enrolled in all the school districts and charter schools of the state. For the purposes of this subsection, the enrollment in each school district and the number of students who reside in the district and are enrolled in a charter school must be determined as of ~~[the last day of the first school month]~~ *each quarter* of the ~~[school district for the]~~ school year. This determination governs the distribution of money pursuant to this subsection until the next ~~[annual]~~ *quarterly* determination of enrollment is made. The Superintendent may retain from the proceeds of the tax an amount sufficient to reimburse the Superintendent for the actual cost of administering the provisions of this section, to the extent that the Superintendent incurs any cost the Superintendent would not have incurred but for the enactment of this section, but in no case exceeding the amount authorized by statute for this purpose.

4. The money received by a school district or charter school from the State Supplemental School Support Account pursuant to this section must be used to improve the achievement of students and for the payment of salaries to attract and retain qualified teachers and other employees, except administrative employees, of the school district or charter school. Nothing contained in this section shall be deemed to impair or restrict the right of employees of the school district or charter school to engage in collective bargaining as provided by chapter 288 of NRS.

5. On or before November 10 of 2016, and on that date each year thereafter, the board of trustees of each school district and the governing body of each charter school shall prepare a report to the Superintendent of Public Instruction, in the form prescribed by the Superintendent. The report must provide an accounting of the expenditures by the school district or charter school of the money it received from the State Supplemental School Support Account during the preceding fiscal year.

6. As used in this section, "administrative employee" means any person who holds a license as an administrator, issued by the Superintendent of Public Instruction, and is employed in that capacity by a school district or charter school.

Sec. 18. NRS 387.303 is hereby amended to read as follows:

387.303 1. Not later than November 1 of each year, the board of trustees of each school district shall submit to the Superintendent of Public Instruction and the Department of Taxation a report which includes the following information:

(a) For each fund within the school district, including, without limitation, the school district's general fund and any special revenue fund which receives state money, the total number and salaries of licensed and non-licensed persons whose salaries are paid from the fund and who are employed by the school district in full-time positions or in part-time positions added together to represent full-time positions. Information must be provided for the current school year based upon the school district's final budget, including any amendments and augmentations thereto, and for the preceding school year.

An employee must be categorized as filling an instructional, administrative, instructional support or other position.

(b) The school district's actual expenditures in the fiscal year immediately preceding the report.

(c) The school district's proposed expenditures for the current fiscal year.

(d) The schedule of salaries for licensed employees in the current school year and a statement of whether the negotiations regarding salaries for the current school year have been completed. If the negotiations have not been completed at the time the schedule of salaries is submitted, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction upon completion of negotiations or the determination of an arbitrator concerning the negotiations that includes the schedule of salaries agreed to or required by the arbitrator.

(e) The number of employees who received an increase in salary pursuant to subsection 2, 3 or 4 of NRS 391.160 for the current and preceding fiscal years. If the board of trustees is required to pay an increase in salary retroactively pursuant to subsection 2 of NRS 391.160, the board of trustees shall submit a supplemental report to the Superintendent of Public Instruction not later than February 15 of the year in which the retroactive payment was made that includes the number of teachers to whom an increase in salary was paid retroactively.

(f) The number of employees eligible for health insurance within the school district for the current and preceding fiscal years and the amount paid for health insurance for each such employee during those years.

(g) The rates for fringe benefits, excluding health insurance, paid by the school district for its licensed employees in the preceding and current fiscal years.

(h) The amount paid for extra duties, supervision of extracurricular activities and supplemental pay and the number of employees receiving that pay in the preceding and current fiscal years.

(i) The expenditures from the account created pursuant to subsection 4 of NRS 179.1187. The report must indicate the total amount received by the district in the preceding fiscal year and the specific amount spent on books and computer hardware and software for each grade level in the district.

2. On or before November 25 of each year, the Superintendent of Public Instruction shall submit to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, in a format approved by the Director of the Department of Administration, a compilation of the reports made by each school district pursuant to subsection 1.

3. In preparing the agency biennial budget request for the State Distributive School Account for submission to the Department of Administration, the Superintendent of Public Instruction:

(a) Shall compile the information from the most recent compilation of reports submitted pursuant to subsection 2;

(b) May increase the line items of expenditures or revenues based on merit salary increases and cost of living adjustments or inflation, as deemed credible and reliable based upon published indexes and research relevant to the specific line item of expenditure or revenue;

(c) May adjust expenditures and revenues pursuant to paragraph (b) for any year remaining before the biennium for which the budget is being prepared and for the 2 years of the biennium covered by the biennial budget request to project the cost of expenditures or the receipt of revenues for the specific line items; *and*

(d) May consider the cost of enhancements to existing programs or the projected cost of proposed new educational programs, regardless of whether those enhancements or new programs are included in the per pupil basic support guarantee for inclusion in the biennial budget request to the Department of Administration. ~~[-and~~

~~-(e) Shall obtain approval from the State Board for any inflationary increase, enhancement to an existing program or addition of a new program included in the agency biennial budget request.]~~

4. The Superintendent of Public Instruction shall, in the compilation required by subsection 2, reconcile the revenues of the school districts with the apportionment received by those districts from the State Distributive School Account for the preceding year.

5. The request prepared pursuant to subsection 3 must:

(a) Be presented by the Superintendent of Public Instruction to such standing committees of the Legislature as requested by the standing committees for the purposes of developing educational programs and providing appropriations for those programs; and

(b) Provide for a direct comparison of appropriations to the proposed budget of the Governor submitted pursuant to subsection 4 of NRS 353.230.

Sec. 19. NRS 387.304 is hereby amended to read as follows:

387.304 The Department shall:

1. Conduct an annual audit of the count of pupils for apportionment purposes reported *each quarter* by each school district pursuant to NRS 387.123 and the data reported by each school district pursuant to NRS 388.710 that is used to measure the effectiveness of the implementation of a plan developed by each school district to reduce the pupil-teacher ratio as required by NRS 388.720.

2. Review each school district's report of the annual audit conducted by a public accountant as required by NRS 354.624, and the annual report prepared by each district as required by NRS 387.303, and report the findings of the review to the State Board and the Legislative Committee on Education, with any recommendations for legislation, revisions to regulations or training needed by school district employees. The report by the Department must identify school districts which failed to comply with any statutes or administrative regulations of this State or which had any:

(a) Long-term obligations in excess of the general obligation debt limit;

- (b) Deficit fund balances or retained earnings in any fund;
- (c) Deficit cash balances in any fund;
- (d) Variances of more than 10 percent between total general fund revenues and budgeted general fund revenues; or
- (e) Variances of more than 10 percent between total actual general fund expenditures and budgeted total general fund expenditures.

3. In preparing its biennial budgetary request for the State Distributive School Account, consult with the superintendent of schools of each school district or a person designated by the superintendent.

4. Provide, in consultation with the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau, training to the financial officers of school districts in matters relating to financial accountability.

Sec. 20. NRS 388.450 is hereby amended to read as follows:

388.450 1. The Legislature declares that ~~the basic support guarantee for each special education program unit established by law~~ *funding provided pursuant to NRS 387.122* for each school year establishes financial resources sufficient to ensure a reasonably equal educational opportunity to pupils with disabilities residing in Nevada through the use of the multiplier to the basic support guarantee prescribed by NRS 387.122 and to gifted and talented pupils residing in Nevada.

2. Subject to the provisions of NRS 388.440 to 388.520, inclusive, the board of trustees of each school district shall make such special provisions as may be necessary for the education of pupils with disabilities and gifted and talented pupils.

3. The board of trustees of a school district in a county whose population is less than 700,000 may provide early intervening services. Such services must be provided in accordance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq., and the regulations adopted pursuant thereto.

4. The board of trustees of a school district shall establish uniform criteria governing eligibility for instruction under the special education programs provided for by NRS 388.440 to 388.520, inclusive. The criteria must prohibit the placement of a pupil in a program for pupils with disabilities solely because the pupil is a disciplinary problem in school. The criteria are subject to such standards as may be prescribed by the State Board.

Sec. 21. NRS 388.700 is hereby amended to read as follows:

388.700 1. Except as otherwise provided in this section, for each school quarter of a school year, the ratio in each school district of pupils per licensed teacher designated to teach, on a full-time basis, in classes where core curriculum is taught:

- (a) In kindergarten and grades 1 and 2, must not exceed 16 to 1, and in grade 3, must not exceed 18 to 1; or

(b) If a plan is approved pursuant to subsection 3 of NRS 388.720, must not exceed the ratio set forth in that plan for the grade levels specified in the plan.

➡ In determining this ratio, all licensed educational personnel who teach a grade level specified in paragraph (a) or a grade level specified in a plan that is approved pursuant to subsection 3 of NRS 388.720, as applicable for the school district, must be counted except teachers of art, music, physical education or special education, teachers who teach one or two specific subject areas to more than one classroom of pupils, and counselors, librarians, administrators, deans and specialists.

2. A school district may, within the limits of any plan adopted pursuant to NRS 388.720, assign a pupil whose enrollment in a grade occurs after the ~~last day of the first month~~ *end of a quarter during* the school year to any existing class regardless of the number of pupils in the class if the school district requests and is approved for a variance from the State Board pursuant to subsection 4.

3. Each school district that includes one or more elementary schools which exceed the ratio of pupils per class during any quarter of a school year, as reported to the Department pursuant to NRS 388.725:

(a) Set forth in subsection 1;

(b) Prescribed in conjunction with a legislative appropriation for the support of the class-size reduction program; or

(c) Defined by a legislatively approved alternative class-size reduction plan, if applicable to that school district,

➡ must request a variance for each such school for the next quarter of the current school year if a quarter remains in that school year or for the next quarter of the succeeding school year, as applicable, from the State Board by providing a written statement that includes the reasons for the request and the justification for exceeding the applicable prescribed ratio of pupils per class.

4. The State Board may grant to a school district a variance from the limitation on the number of pupils per class set forth in paragraph (a), (b) or (c) of subsection 3 for good cause, including the lack of available financial support specifically set aside for the reduction of pupil-teacher ratios.

5. The State Board shall, on a quarterly basis, submit a report to the Interim Finance Committee on each variance requested by a school district pursuant to subsection 4 during the preceding quarter and, if a variance was granted, an identification of each elementary school for which a variance was granted and the specific justification for the variance.

6. The State Board shall, on or before February 1 of each odd-numbered year, submit a report to the Legislature on:

(a) Each variance requested by a school district pursuant to subsection 4 during the preceding biennium and, if a variance was granted, an identification of each elementary school for which variance was granted and the specific justification for the variance.

(b) The data reported to it by the various school districts pursuant to subsection 2 of NRS 388.710, including an explanation of that data, and the current pupil-teacher ratios per class in the grade levels specified in paragraph (a) of subsection 1 or the grade levels specified in a plan that is approved pursuant to subsection 3 of NRS 388.720, as applicable for the school district.

7. The Department shall, on or before November 15 of each year, report to the Chief of the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau:

- (a) The number of teachers employed;
 - (b) The number of teachers employed in order to attain the ratio required by subsection 1;
 - (c) The number of pupils enrolled; and
 - (d) The number of teachers assigned to teach in the same classroom with another teacher or in any other arrangement other than one teacher assigned to one classroom of pupils,
- ➡ during the current school year in the grade levels specified in paragraph (a) of subsection 1 or the grade levels specified in a plan that is approved pursuant to subsection 3 of NRS 388.720, as applicable, for each school district.

8. The provisions of this section do not apply to a charter school or to a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive.

Sec. 22. NRS 392A.083 is hereby amended to read as follows:

392A.083 1. Each pupil who is enrolled in a university school for profoundly gifted pupils, including, without limitation, a pupil who is enrolled in a program of special education in a university school for profoundly gifted pupils, must be included in the count of pupils in the school district in which the school is located for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory school attendance pursuant to NRS 392.070.

2. A university school for profoundly gifted pupils is entitled to receive its proportionate share of any other money available from federal, state or local sources that the school or the pupils who are enrolled in the school are eligible to receive.

3. If a university school for profoundly gifted pupils receives money for special education program units directly from this State, the amount of money for special education that the school district pays to the university school for profoundly gifted pupils may be reduced proportionately by the amount of money the university school received from this State for that purpose.

4. All money received by a university school for profoundly gifted pupils from this State or from the board of trustees of a school district must be

deposited in an account with a bank, credit union or other financial institution in this State.

5. The governing body of a university school for profoundly gifted pupils may negotiate with the board of trustees of the school district in which the school is located or the State Board for additional money to pay for services that the governing body wishes to offer.

6. To determine the amount of money for distribution to a university school for profoundly gifted pupils in its first year of operation in which state funding is provided, the count of pupils who are enrolled in the university school must initially be determined 30 days before the beginning of the school year of the school district in which the university school is located, based upon the number of pupils whose applications for enrollment have been approved by the university school. The count of pupils who are enrolled in a university school for profoundly gifted pupils must be revised ~~on the last day of the first school month of the school district in which the university school is located for the school year,~~ *each quarter* based upon the ~~actual number~~ *average daily enrollment* of pupils ~~who are enrolled~~ in the university school ~~[-] reported for the preceding quarter pursuant to subsection 1 of NRS 387.1233.~~

7. Pursuant to subsection 6 of NRS 387.124, the governing body of a university school for profoundly gifted pupils may request that the apportionments made to the university school in its first year of operation be paid to the university school 30 days before the apportionments are otherwise required to be made.

8. If a university school for profoundly gifted pupils ceases to operate pursuant to this chapter during a school year, the remaining apportionments that would have been made to the university school pursuant to NRS 387.124 for that school year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the university school reside.

9. If the governing body of a university school for profoundly gifted pupils uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the university school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

Sec. 23. NRS 392A.083 is hereby amended to read as follows:

392A.083 1. Each pupil who is enrolled in a university school for profoundly gifted pupils, including, without limitation, a pupil who is enrolled in a program of special education in a university school for profoundly gifted pupils, must be included in the count of pupils in the school district in which the school is located for the purposes of apportionments and allowances from the State Distributive School Account pursuant to NRS 387.121 to 387.126, inclusive, unless the pupil is exempt from compulsory school attendance pursuant to NRS 392.070.

2. A university school for profoundly gifted pupils is entitled to receive its proportionate share of any other money available from federal, state or

local sources that the school or the pupils who are enrolled in the school are eligible to receive.

~~3. If a university school for profoundly gifted pupils receives money for special education program units directly from this State, the amount of money for special education that the school district pays to the university school for profoundly gifted pupils may be reduced proportionately by the amount of money the university school received from this State for that purpose.~~

~~4.]~~ All money received by a university school for profoundly gifted pupils from this State or from the board of trustees of a school district must be deposited in an account with a bank, credit union or other financial institution in this State.

~~5.]~~ 4. The governing body of a university school for profoundly gifted pupils may negotiate with the board of trustees of the school district in which the school is located or the State Board for additional money to pay for services that the governing body wishes to offer.

~~6.]~~ 5. To determine the amount of money for distribution to a university school for profoundly gifted pupils in its first year of operation in which state funding is provided, the count of pupils who are enrolled in the university school must initially be determined 30 days before the beginning of the school year of the school district in which the university school is located, based upon the number of pupils whose applications for enrollment have been approved by the university school. The count of pupils who are enrolled in a university school for profoundly gifted pupils must be revised each quarter based upon the average daily enrollment of pupils in the university school reported for the preceding quarter pursuant to subsection 1 of NRS 387.1233.

~~7.]~~ 6. Pursuant to subsection 6 of NRS 387.124, the governing body of a university school for profoundly gifted pupils may request that the apportionments made to the university school in its first year of operation be paid to the university school 30 days before the apportionments are otherwise required to be made.

~~8.]~~ 7. If a university school for profoundly gifted pupils ceases to operate pursuant to this chapter during a school year, the remaining apportionments that would have been made to the university school pursuant to NRS 387.124 for that school year must be paid on a proportionate basis to the school districts where the pupils who were enrolled in the university school reside.

~~9.]~~ 8. If the governing body of a university school for profoundly gifted pupils uses money received from this State to purchase real property, buildings, equipment or facilities, the governing body of the university school shall assign a security interest in the property, buildings, equipment and facilities to the State of Nevada.

Sec. 24. Chapter 395 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Contingency Account for Special Education Services is hereby created in the State General Fund to be administered by the Superintendent of Public Instruction. The Superintendent of Public Instruction may accept gifts and grants of money from any source for deposit in the Account. Any money from gifts and grants may be expended in accordance with the terms and conditions of the gift or grant, or in accordance with this section.*

2. *The interest and income earned on the sum of:*

(a) *The money in the Account; and*

(b) *Unexpended appropriations made to the Account from the State General Fund,*

➤ 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.

3. *The money in the Account may only be used for public schools and public education, as authorized by the Legislature.*

4. *The State Board shall adopt regulations for the application, approval and disbursement of money ~~from the Account~~ commencing with the 2016-2017 school year to reimburse school districts and charter schools for extraordinary program expenses and related services which:*

(a) *Are not ordinarily present in the typical special education service and delivery system at a public school;*

(b) *Are associated with the implementation of the individualized education program of a pupil with significant disabilities, as defined by the State Board, to provide an appropriate education in the least restrictive environment; and*

(c) *The costs of which exceed the total funding available to the school district or charter school for the pupil.*

Sec. 25. NRS 395.070 is hereby amended to read as follows:

395.070 1. The Interagency Panel is hereby created. The Panel is responsible for making recommendations concerning the placement of persons with disabilities who are eligible to receive benefits pursuant to this chapter. The Panel consists of:

(a) The Administrator of the Division of Child and Family Services of the Department of Health and Human Services;

(b) The Administrator of the Division of Public and Behavioral Health of the Department of Health and Human Services;

(c) The Director of the Department of Health and Human Services; and

(d) The Superintendent of Public Instruction.

2. A member of the Panel may designate a person to represent him or her at any meeting of the Panel. The person designated may exercise all the duties, rights and privileges of the member he or she represents.

3. The Panel shall ~~be~~:

~~(a) Every time a person with a disability is to be placed pursuant to subsection 2 of NRS 395.010 in a foster home or residential facility, meet to determine the needs of the person and the availability of homes or facilities~~

~~under the authority of the Department of Health and Human Services after a joint evaluation of that person is completed by the Department of Education and the Department of Health and Human Services;~~

~~— (b) Determine the appropriate placement of the person, giving priority to homes or facilities under the authority of the Department of Health and Human Services over any home or facility located outside of this State; and~~

~~— (c) Make a recommendation concerning the placement of the person.]~~
perform such duties as prescribed by the State Board.

Sec. 26. NRS 354.598005 is hereby amended to read as follows:

354.598005 1. If anticipated resources actually available during a budget period exceed those estimated, a local government may augment a budget in the following manner:

(a) If it is desired to augment the appropriations of a fund to which ad valorem taxes are allocated as a source of revenue, the governing body shall, by majority vote of all members of the governing body, adopt a resolution reciting the appropriations to be augmented, and the nature of the unanticipated resources intended to be used for the augmentation. Before the adoption of the resolution, the governing body shall publish notice of its intention to act thereon in a newspaper of general circulation in the county for at least one publication. No vote may be taken upon the resolution until 3 days after the publication of the notice.

(b) If it is desired to augment the budget of any fund other than a fund described in paragraph (a) or an enterprise or internal service fund, the governing body shall adopt, by majority vote of all members of the governing body, a resolution providing therefor at a regular meeting of the body.

2. A budget augmentation becomes effective upon delivery to the Department of Taxation of an executed copy of the resolution providing therefor.

3. Nothing in NRS 354.470 to 354.626, inclusive, precludes the amendment of a budget by increasing the total appropriation for any fiscal year to include a grant-in-aid, gift or bequest to a local unit of government which is required to be used for a specific purpose as a condition of the grant. Acceptance of such a grant and agreement to the terms imposed by the granting agency or person constitutes an appropriation to the purpose specified.

4. A local government need not file an augmented budget for an enterprise or internal service fund with the Department of Taxation but shall include the budget augmentation in the next quarterly report.

5. Budget appropriations may be transferred between functions, funds or contingency accounts in the following manner, if such a transfer does not increase the total appropriation for any fiscal year and is not in conflict with other statutory provisions:

(a) The person designated to administer the budget for a local government may transfer appropriations within any function.

(b) The person designated to administer the budget may transfer appropriations between functions or programs within a fund, if:

(1) The governing body is advised of the action at the next regular meeting; and

(2) The action is recorded in the official minutes of the meeting.

(c) Upon recommendation of the person designated to administer the budget, the governing body may authorize the transfer of appropriations between funds or from the contingency account, if:

(1) The governing body announces the transfer of appropriations at a regularly scheduled meeting and sets forth the exact amounts to be transferred and the accounts, functions, programs and funds affected;

(2) The governing body sets forth its reasons for the transfer; and

(3) The action is recorded in the official minutes of the meeting.

6. In any year in which the Legislature by law increases or decreases the revenues of a local government, and that increase or decrease was not included or anticipated in the local government's final budget as adopted pursuant to NRS 354.598, the governing body of any such local government may, within 30 days of adjournment of the legislative session, file an amended budget with the Department of Taxation increasing or decreasing its anticipated revenues and expenditures from that contained in its final budget to the extent of the actual increase or decrease of revenues resulting from the legislative action.

7. In any year in which the Legislature enacts a law requiring an increase or decrease in expenditures of a local government, which was not anticipated or included in its final budget as adopted pursuant to NRS 354.598, the governing body of any such local government may, within 30 days of adjournment of the legislative session, file an amended budget with the Department of Taxation providing for an increase or decrease in expenditures from that contained in its final budget to the extent of the actual amount made necessary by the legislative action.

8. An amended budget, as approved by the Department of Taxation, is the budget of the local government for the current fiscal year.

9. On or before January 1 of each school year, each school district shall adopt an amendment to its final budget after the ~~{count}~~ average daily enrollment of pupils is ~~{completed}~~ reported for the preceding quarter pursuant to subsection 1 of NRS 387.1233. The amendment must reflect any adjustments necessary as a result of the ~~{completed count of pupils}~~ report.

Sec. 27. NRS 701B.350 is hereby amended to read as follows:

701B.350 1. The Renewable Energy School Pilot Program is hereby created. The goal of the Program is to encourage the development of and determine the feasibility for the integration of renewable energy systems on school properties.

2. The Commission shall adopt regulations for the Program. Such regulations shall include, but not be limited to:

(a) A time frame for implementation of the Program;

(b) The allowed renewable energy systems and combinations of such renewable energy systems on school property;

(c) The amount of capacity that may be installed at each school property that participates in the Program;

(d) A process by which a school district may apply for participation in the Program;

(e) Requirements for participation by a school district;

(f) The type of transactions allowed between a renewable energy system generator, a school district and a utility;

(g) Incentives which may be provided to a school district or school property to encourage participation; and

(h) Such other parameters as determined by the Commission and are consistent with the development of renewable energy systems at school properties.

3. The Program shall be limited to 10 school properties. Not more than 6 school properties from any one school district may participate in the Program.

4. The Commission shall adopt the regulations necessary to implement the Program not later than March 1, 2008.

5. The Commission shall prepare a report detailing the results of the Program and shall submit the report to the Legislature by December 1, 2008.

6. As used in this section:

(a) "Commission" means the Public Utilities Commission of Nevada.

(b) "Owned, leased or occupied" includes, without limitation, any real property, building or facilities which are owned, leased or occupied under a deed, lease, contract, license, permit, grant, patent or any other type of legal authorization.

(c) "Renewable energy system" has the meaning ascribed to it in NRS 704.7815.

(d) "School district" ~~has the meaning ascribed to it in NRS 395.0075.~~ *means a county school district created pursuant to chapter 386 of NRS.*

(e) "School property" means any real property, building or facilities which are owned, leased or occupied by a public school as defined in NRS 385.007.

(f) "Utility" has the meaning ascribed to it in NRS 701B.180.

Sec. 28. 1. As soon as practicable after the effective date of this section, the Department of Education shall develop a plan to provide additional resources to the Nevada Plan expressed as a multiplier of the basic support guarantee to meet the unique needs of pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils. In developing the plan, the Department of Education shall review and consider the recommendations made by the Task Force on K-12 Public Education Funding created by chapter 500, Statutes of Nevada 2013, at page 3181. The plan must include, without limitation:

(a) The amount of the multiplier to the basic support guarantee to be used for each such category of pupils; and

(b) The date by which the plan should be implemented or phased in, with full implementation occurring not later than Fiscal Year 2021-2022.

2. The Department of Education shall submit the plan developed pursuant to subsection 1 to the Legislative Committee on Education for its review and consideration during the 2015-2016 interim. The Legislative Committee on Education shall:

(a) Review and consider the recommendations made by the Task Force on K-12 Public Education Funding created by chapter 500, Statutes of Nevada 2013, at page 3181;

(b) Consider the appropriateness and likely effectiveness of the plan developed pursuant to subsection 1 in meeting the unique needs of pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils; and

(c) On or before October 1, 2016, submit a report to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Legislature that includes, without limitation:

(1) Any provision of the plan developed pursuant to subsection 1 that should be implemented or phased in, with full implementation occurring not later than Fiscal Year 2021-2022;

(2) The amount of the multiplier to the basic support guarantee to be used for each category of pupils addressed by the plan; and

(3) Any recommendations for legislation.

3. On or before October 1, 2016, the Superintendent of Public Instruction shall ~~prepare and~~ submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the 79th Session of the Nevada Legislature ~~to~~:

(a) A report of the per pupil expenditures associated with legislative appropriations for pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils.

~~(2.)~~ (b) Any recommendations for legislation to address the unique needs of pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils.

4. During the 2017-2019 biennium and the 2019-2021 biennium, the Department of Education shall review and, if necessary, revise the plan developed pursuant to subsection 1 based upon data available on the costs and expenditures associated with meeting the unique needs of pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talented pupils. The Department shall submit any revisions to the plan after its review to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature following the 2017-2019 and 2019-2021 bienniums, respectively.

5. As used in this section, "pupils who are at risk" means a pupil who is eligible for free or reduced-price lunch pursuant to 42 U.S.C. §§ 1751 et seq., or an alternative measure prescribed by the State Board of Education.

Sec. 29. 1. Notwithstanding the provisions of NRS 387.122, as amended by section ~~[7]~~ 8 of this act, the Department shall calculate an amount of funding for each pupil with a disability for Fiscal Year 2016-2017 by dividing the total count of such pupils by the money appropriated by the Legislature for such pupils in Fiscal Year 2016-2017. The Department shall report this multiplier to the basic support guarantee to the State Board of Education, the Interim Finance Committee and the Governor.

2. Except as otherwise provided in subsections 3 and 4, the funding provided to each school district and charter school pursuant to subsection 1 must not exceed 13 percent of total pupil enrollment for the school district ~~[.]~~ or charter school.

3. If a school district or charter school has reported an enrollment of pupils with disabilities equal to more than 13 percent of total pupil enrollment ~~[for the average of the last 3 fiscal years,]~~ the school district or charter school is entitled to receive an amount of money equal to the ~~[average of the enrollment of pupils with disabilities for those last 3 fiscal years or an]~~ amount necessary to satisfy requirements for maintenance of effort under federal law ~~[, whichever is higher.]~~

4. A school district or charter school may not receive less funding pursuant to subsection 1 for Fiscal Year 2016-2017 than the amount per pupil with a disability that the school district or charter school received from the State in Fiscal Year 2015-2016.

Sec. 30. NRS 387.1221, 395.001, 395.0065, 395.0075, 395.008, 395.010, 395.030, 395.040, 395.050 and 395.060 are hereby repealed.

Sec. 31. 1. This section and sections 2, 4, 5, 7, 9, 12, 14, 16.5, 17, 18, 19, 21, 22, 24 and 26 to 29, inclusive, of this act become effective upon passage and approval.

2. Sections 1, 3, 6, 8, 10, 15, 20, 23, 25 and 30 of this act become effective on July 1, 2016.

3. Sections 11, 13 and 16 of this act become effective on July 1, 2017.

LEADLINES OF REPEALED SECTIONS

387.1221 Basic support guarantee for special education program units; reallocation of unused allocation; authorization to contract to provide special education program unit; authorization to provide early intervening services.

395.001 Definitions.

395.0065 "Related services" defined.

395.0075 "School district" defined.

395.008 "Special education program" defined.

395.010 Special education program and related services to be provided to person with disability.

395.030 Application for benefits; action by board of trustees.

395.040 Duties of Superintendent of Public Instruction upon receipt of application.

395.050 Transportation of person with disability; State to pay for provision of special education program and related services.

395.060 Money to carry out provisions of chapter.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

This amendment makes several changes. Most notably, in section 28, it requires the Department of Education to direct the plan for the implementation of the weighted funding formula with multipliers for ELL students, at risk students, special education students and gifted and talented students. It also requires additional reports back to the Legislature, and it outlines the timeframe for implementation of the new formula.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

GENERAL FILE AND THIRD READING

Senate Bill No. 128.

Bill read third time.

Remarks by Senator Kieckhefer.

This bill increases from six to nine, the number of credit hours in which a Millennium Scholar must enroll if attending a community college. The bill also increases credits, from 12 to 15, at one of the Universities. This bill becomes effective on July 1, 2015.

Roll call on Senate Bill No. 128:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Senate Bill No. 128 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 163.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 946.

SUMMARY—Creates the Advisory Council on Nevada Wildlife Conservation and Education within the Department of Wildlife. (BDR 45-616)

AN ACT relating to wildlife; creating the Advisory Council on Nevada Wildlife Conservation and Education within the Department of Wildlife; prescribing the membership and duties of the Council; authorizing the Department to fund the activities of the Council from the Wildlife Heritage Trust Account; requiring the Board of Wildlife Commissioners to maintain a list of qualified candidates for appointment to the Council; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the management of wildlife in this State, including the regulation of hunting, fishing, trapping and the taking of game. (Title 45 of NRS) Section 3 of this bill creates the Advisory Council on Nevada Wildlife Conservation and Education within the Department of Wildlife and prescribes the composition of the members of the Council.

Section 5 of this bill requires the Council, in cooperation with the Department, to develop and implement a public information program for the purpose of promoting and educating the general public on the history and benefits of wildlife and wildlife preservation in this State, and the importance of hunting, fishing, trapping and the taking of game in this State. Section 5 further requires the Council to prepare an operational plan to meet the future goals of the Council and to report certain information to the Director of the Department and the Board of Wildlife Commissioners. Sections 6, 9.3 and 9.7 of this bill authorize the Department to fund the activities of the Council from the Wildlife Heritage Trust Account. Section 8 of this bill requires the Board of Wildlife Commissioners to maintain a list of qualified candidates for appointment to the Council.

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

Section 1. Chapter 501 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *"Council" means the Advisory Council on Nevada Wildlife Conservation and Education created by section 3 of this act.*

Sec. 3. 1. *There is hereby created within the Department the Advisory Council on Nevada Wildlife Conservation and Education. The Council consists of the following seven members:*

(a) ~~The~~ *A representative of the Department, designated by the Director;*
and

(b) *The following members to be appointed by the ~~Governor~~ Director with the advice of the Chair of the Commission; ~~and the Director;~~*

(1) *One member of the Commission or his or her designee;*

(2) *Three residents of this State who are selected from the list of candidates compiled pursuant to subsection 9 of NRS 501.181;*

(3) *One resident of this State who represents small businesses that are substantially affected by hunting, fishing and trapping in this State; and*

(4) *One resident of this State who is not an employee of the Department and who has a background in media or marketing sufficient to advise the Council in carrying out its duties pursuant to section 5 of this act.*

2. *The ~~Governor~~ Director shall, to the extent practicable, ensure that the membership of the Council represents all geographic areas of this State.*

3. *After the initial terms, each member of the Council appointed pursuant to paragraph (b) of subsection 1 serves a term of 4 years.*

4. *A vacancy in the appointed membership of the Council must be filled in the same manner as the original appointment for the remainder of the unexpired term.*

5. *An appointed member of the Council may be reappointed, but must not serve more than two full terms.*

6. *Each member of the Council:*

(a) *Serves without compensation; and*

(b) While engaged in the business of the Council, is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

7. The ~~{Governor}~~ Director may remove any appointed member of the Council for good cause.

Sec. 4. 1. At the first meeting of the Council, the Council shall elect from its members a Chair, a Vice Chair ~~{,}~~ and a Secretary. ~~{and a Treasurer.}~~ and shall adopt the ~~{bylaws}~~ policies of the Council. Upon the expiration of the term of an officer elected pursuant to this subsection, the Council shall, at the next subsequent meeting of the Council, elect an officer to fill the vacated position.

2. The Council shall meet at least once each calendar quarter and at other times upon the call of the Chair or a majority of its members.

3. A majority of the members of the Council constitutes a quorum for the transaction of business, and a quorum may exercise any power or authority conferred on the Council.

4. Meetings of the Council must be conducted in accordance with chapter 241 of NRS.

5. Except as otherwise provided by specific statute, the documents and other information compiled by the Council in the course of its business are public records.

Sec. 5. 1. ~~{The}~~ Subject to approval by the Director, the Council shall, in cooperation with the Department:

(a) Develop and implement, in collaboration with a marketing or advertising agency, a comprehensive media-based public information program to educate the general public on the history of wildlife in Nevada, the benefits of wildlife to its citizens and the benefits of wildlife management and wildlife recreational opportunities in Nevada. The program must promote the essential role that sportsmen and sportswomen play in furthering wildlife conservation in this State and must include, without limitation, education to teach that hunting, fishing, trapping and the taking of game are:

(1) Necessary for the conservation, preservation and management of the natural resources of this State;

(2) A valued and integral part of the cultural heritage of this State that must forever be preserved; and

(3) An important part of the economy of this State.

(b) Not later than 120 days after the Council's first meeting of each year, prepare an operational plan with strategic goals and milestones in furtherance of the duties of the Council.

(c) Prepare a request for proposals for the purpose of selecting a marketing or advertising agency.

(d) Establish criteria for grading and selecting a marketing or advertising agency based on the submission of proposals.

(e) Conduct surveys for the purpose of developing a marketing campaign and determining the effectiveness of a campaign.

2. ~~[[The]]~~ Subject to approval by the Director, the Council shall review and approve each annual budget for the Council and review any periodic financial reports provided by the Department that are related to the activities of the Council.

3. The Council shall, on or before December 31 of each even-numbered year, prepare a report to the Director and the Commission outlining the public information program implemented and the operational plan prepared pursuant to subsection 1 and the expenditures of the Council.

Sec. 6. 1. The activities of the Council must be funded by allocations of money from the Wildlife Heritage Trust Account that are made in accordance with the provisions of subsection 4 of NRS 501.3575.

2. The Director and the Council may apply for and accept any available grants and may accept any bequests, devises, donations or gifts from any public or private source to fund the activities of the Council. ~~[[Any such money received by the Director or the Council must be forwarded to the Department for deposit into the Wildlife Heritage Trust Account and accounted for separately.]]~~

3. Any money described in subsections 1 and 2 must be used for the activities of the Council and accounted for separately. Except as otherwise provided by law or by the terms of any grant, bequest, devise, donation or gift, any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund and must be carried over to the next fiscal year.

Sec. 7. NRS 501.001 is hereby amended to read as follows:

501.001 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 501.003 to 501.097, inclusive, and section 2 of this act have the meanings ascribed to them in those sections.

Sec. 8. NRS 501.181 is hereby amended to read as follows:

501.181 The Commission shall:

1. Establish broad policies for:

(a) The protection, propagation, restoration, transplanting, introduction and management of wildlife in this State.

(b) The promotion of the safety of persons using or property used in the operation of vessels on the waters of this State.

(c) The promotion of uniformity of laws relating to policy matters.

2. Guide the Department in its administration and enforcement of the provisions of this title and of chapter 488 of NRS by the establishment of such policies.

3. Establish policies for areas of interest including:

(a) The management of big and small game mammals, upland and migratory game birds, fur-bearing mammals, game fish, and protected and unprotected mammals, birds, fish, reptiles and amphibians.

(b) The control of wildlife depredations.

(c) The acquisition of lands, water rights and easements and other property for the management, propagation, protection and restoration of wildlife.

(d) The entry, access to, and occupancy and use of such property, including leases of grazing rights, sales of agricultural products and requests by the Director to the State Land Registrar for the sale of timber if the sale does not interfere with the use of the property on which the timber is located for wildlife management or for hunting or fishing thereon.

(e) The control of nonresident hunters.

(f) The introduction, transplanting or exporting of wildlife.

(g) Cooperation with federal, state and local agencies on wildlife and boating programs.

(h) The revocation of licenses issued pursuant to this title to any person who is convicted of a violation of any provision of this title or any regulation adopted pursuant thereto.

4. Establish regulations necessary to carry out the provisions of this title and of chapter 488 of NRS, including:

(a) Seasons for hunting game mammals and game birds, for hunting or trapping fur-bearing mammals and for fishing, the daily and possession limits, the manner and means of taking wildlife, including, but not limited to, the sex, size or other physical differentiation for each species, and, when necessary for management purposes, the emergency closing or extending of a season, reducing or increasing of the bag or possession limits on a species, or the closing of any area to hunting, fishing or trapping. The regulations must be established after first considering the recommendations of the Department, the county advisory boards to manage wildlife and others who wish to present their views at an open meeting. Any regulations relating to the closure of a season must be based upon scientific data concerning the management of wildlife. The data upon which the regulations are based must be collected or developed by the Department.

(b) The manner of using, attaching, filling out, punching, inspecting, validating or reporting tags.

(c) The delineation of game management units embracing contiguous territory located in more than one county, irrespective of county boundary lines.

(d) The number of licenses issued for big game and, if necessary, other game species.

5. Adopt regulations requiring the Department to make public, before official delivery, its proposed responses to any requests by federal agencies for its comment on drafts of statements concerning the environmental effect of proposed actions or regulations affecting public lands.

6. Adopt regulations:

(a) Governing the provisions of the permit required by NRS 502.390 and for the issuance, renewal and revocation of such a permit.

(b) Establishing the method for determining the amount of an assessment, and the time and manner of payment, necessary for the collection of the assessment required by NRS 502.390.

7. Designate those portions of wildlife management areas for big game mammals that are of special concern for the regulation of the importation, possession and propagation of alternative livestock pursuant to NRS 576.129.

8. Adopt regulations governing the trapping of fur-bearing mammals in a residential area of a county whose population is 100,000 or more.

9. *Maintain a list of qualified candidates for appointment to the Council that is compiled from recommendations by any Nevada sportsmen's organization. The Commission shall not include a person on the list of candidates unless the person has been a resident of this State for at least 5 years and has held a hunting, fishing or trapping license, or any combination of such licenses, in this State for at least 3 of the immediately preceding 5 years.*

Sec. 9. (Deleted by amendment.)

Sec. 9.3. NRS 501.3575 is hereby amended to read as follows:

501.3575 1. The Wildlife Heritage Trust Account is hereby created in the State General Fund. The money in the Account must be used by the Department as provided in this section for:

(a) The protection, propagation, restoration, transplantation, introduction and management of any game fish, game mammal, game bird or fur-bearing mammal in this State; ~~and~~

(b) The management and control of predatory wildlife in this State ~~[-]~~ ;
and

(c) *Funding the activities of the Council.*

2. Except as otherwise provided in NRS 502.250, money received by the Department from:

(a) A bid, auction, Silver State Tag Drawing or Partnership in Wildlife Drawing conducted pursuant to NRS 502.250; and

(b) A gift of money made by any person to the Wildlife Heritage Trust Account ~~[-] and~~

~~(c) The Director or Council pursuant to subsection 2 of section 6 of this act;~~

↪ must be deposited with the State Treasurer for credit to the Account. ~~Any money received pursuant to paragraph (c) must be accounted for separately.~~

3. The interest and income earned on the money in the Wildlife Heritage Trust Account, after deducting any applicable charges, must be credited to the Account.

4. For the period beginning on July 1, 2015, and ending on June 30, 2019, to fund the activities of the Council, the Department may annually expend from the principal of the Wildlife Heritage Trust Account:

(a) Not more than \$250,000; and

(b) In addition, an amount of money not greater than 25 percent of the amount of money deposited in the Account pursuant to subsection 2 during the previous year, ~~and the total amount of interest earned on the money in the Account during the previous year, except that such expenditure must not exceed \$250,000 per fiscal year, to fund the activities of the Council.~~

5. The Department may annually expend from the Wildlife Heritage Trust Account an amount of money not greater than 75 percent of the money deposited in the Account pursuant to subsection 2 during the previous year and the total amount of interest earned on the money in the Account during the previous year. ~~{The}~~

6. *Except for expenditures made pursuant to subsection 4, the Commission shall review and approve expenditures from the Account ~~{No}~~, and no money may be expended from the Account without the prior approval of the Commission.*

~~{5-}~~ 7. The Commission shall administer the provisions of this section and may adopt any regulations necessary for that purpose.

Sec. 9.7. Section 9.3 of this act is hereby amended to read as follows:

Sec. 9.3. NRS 501.3575 is hereby amended to read as follows:

501.3575 1. The Wildlife Heritage Trust Account is hereby created in the State General Fund. The money in the Account must be used by the Department as provided in this section for:

(a) The protection, propagation, restoration, transplantation, introduction and management of any game fish, game mammal, game bird or fur-bearing mammal in this State;

(b) The management and control of predatory wildlife in this State; and

(c) Funding the activities of the Council.

2. Except as otherwise provided in NRS 502.250, money received by the Department from:

(a) A bid, auction, Silver State Tag Drawing or Partnership in Wildlife Drawing conducted pursuant to NRS 502.250; and

(b) A gift of money made by any person to the Wildlife Heritage Trust Account,

↪ must be deposited with the State Treasurer for credit to the Account.

3. The interest and income earned on the money in the Wildlife Heritage Trust Account, after deducting any applicable charges, must be credited to the Account.

4. ~~{For the period beginning on July 1, 2015, and ending on June 30, 2019, to}~~ To fund the activities of the Council, the Department may annually expend from the principal of the Wildlife Heritage Trust Account ~~{=}~~

~~(a) Not more than \$250,000; and~~

~~(b) In addition,~~ an amount of money not greater than 25 percent of the amount of money deposited in the Account pursuant to subsection 2 during the previous year.

5. The Department may annually expend from the Wildlife Heritage Trust Account an amount of money not greater than 75 percent of the money deposited in the Account pursuant to subsection 2 during the previous year and the total amount of interest earned on the money in the Account during the previous year.

6. Except for expenditures made pursuant to subsection 4, the Commission shall review and approve expenditures from the Account, and no money may be expended from the Account without the prior approval of the Commission.

7. The Commission shall administer the provisions of this section and may adopt any regulations necessary for that purpose.

Sec. 10. (Deleted by amendment.)

Sec. 11. 1. The ~~[Governor]~~ Director of the Department of Wildlife shall:

(a) Appoint the initial members to the Advisory Council on Nevada Wildlife Conservation and Education in accordance with paragraph (b) of subsection 1 of section 3 of this act not later than October 1, 2015.

(b) Call the first meeting of the Council, which must take place on or before December 31, 2015.

2. At the first meeting of the Council, the six members initially appointed by the ~~[Governor]~~ Director of the Department of Wildlife pursuant to paragraph (a) of subsection 1 shall choose their terms of office by lot, in the following manner:

(a) Two members for terms of 2 years;

(b) Two members for terms of 3 years; and

(c) Two members for terms of 4 years.

Sec. 12. 1. This section and sections 1 to 9.3, inclusive, and 11 of this act become effective on July 1, 2015.

2. Section 9.7 of this act becomes effective on July 1, 2019.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

This amendment makes several changes to the bill. Most notably, it changes the appointing authority for the Advisory Council on Nevada Wildlife Conservation and Education from the Governor to the Director of the Department of Wildlife. It also clarifies where the revenue is coming from to fund the Advisory Council and other conforming changes.

Amendment adopted.

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

Senate Bill No. 302.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 988.

SUMMARY—Establishes a program by which a child who receives instruction from a certain entity rather than from a public school may receive a grant of money in an amount equal to a certain percentage of the statewide average basic support per-pupil. ~~[amount apportioned to the resident school district of the child.]~~ (BDR 34-567)

AN ACT relating to education; establishing a program by which a child who receives instruction from a certain entity rather than from a public school may receive a grant of money in an amount equal to ~~[a certain percentage of]~~ the statewide average basic support per-pupil; ~~[amount apportioned to the resident school district of the child;]~~ providing for the amount of each grant to be deducted from the total apportionment to the school district; providing a child who receives a grant and is not enrolled in a private school with certain rights and responsibilities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each child between the ages of 7 and 18 years to attend a public school of the State, attend a private school or be homeschooled. (NRS 392.040, 392.070) Existing law also provides for each school district to receive certain funding from local sources and to receive from the State an apportionment per pupil of basic support for the schools in the school district. (NRS 387.1235, 387.124) This bill establishes a program by which a child enrolled in a private school may receive a grant of money in an amount equal to 90 percent, or, if the child ~~[has special needs]~~ is a pupil with a disability or has a household income that is less than 185 percent of the federally designated level signifying poverty, 100 percent, of the ~~[sum of the amounts of local and]~~ statewide average basic support per pupil. Sections 7 and 8 of this bill allow a child to enroll part-time in a public school while receiving part of his or her instruction from an entity that participates in the program to receive a partial grant. Money from the grant may be used only for specified purposes.

Section 7 of this bill authorizes the parent of a child who is required to attend school and who has attended a public school for 100 consecutive school days to enter into an agreement with the State Treasurer, according to which the child will receive instruction from certain entities and receive the grant. Each agreement is valid for 1 school year but may be terminated early and may be renewed for any subsequent school year. Not entering into or renewing an agreement for any given school year does not preclude the parent from entering into or renewing an agreement for any subsequent year.

If such an agreement is entered into, an education savings account must be opened by the parent on behalf of the child. Under section 8 of this bill, for any school year for which the agreement is entered into or renewed, the State Treasurer must deposit the amount of the grant into the education savings account. ~~[Section 8 also allows any money remaining in an education savings account when the child graduates high school to be used for postsecondary education in this State. Such money reverts to the State General Fund 4 years~~

~~after the date on which the child graduated from high school if not used unless the State Treasurer extends the period upon a showing of good cause.]~~

Under section 16 of this bill, the amount of the grant must be deducted from the total apportionment to the resident school district of the child on whose behalf the grant is made. Section 8 provides that the State Treasurer may deduct from the amount of the grant not more than 3 percent for the administrative costs of implementing the provisions of this bill.

Section 9 of this bill lists the authorized uses of grant money deposited in an education savings account. Section 9 also prohibits certain refunds, rebates or sharing of payments made from money in an education savings account.

Under section 10 of this bill, the State Treasurer may qualify private financial management firms to manage the education savings accounts. The State Treasurer must establish reasonable fees for the management of the education savings accounts. Those fees may be paid from the money deposited in an education savings account.

Section 11 of this bill provides requirements for a private school, college or university, program of distance education, accredited tutor or tutoring facility or the parent of a child to participate in the grant program established by this bill by providing instruction to children on whose behalf the grants are made. The State Treasurer may refuse to allow such an entity to continue to participate in the program if the State Treasurer finds that the entity fails to comply with applicable provisions of law or has failed to provide educational services to a child who is participating in the program. Section 16.2 of this bill authorizes a child who is participating in the program to enroll in a program of distance education if the child is only receiving a portion of his or her instruction from a participating entity.

Under section 12 of this bill, each child on whose behalf a grant is made must take certain standardized examinations in mathematics and English language arts. Subject to applicable federal privacy laws, a participating entity must provide those test results to the Department of Education, which must aggregate the results and publish data on the results and on the academic progress of children on behalf of whom grants are made. Under section 13 of this bill, the State Treasurer must make available a list of all entities who are participating in the grant program, other than a parent of a child. Section 13 also requires the Department to require resident school districts to provide certain academic records to participating entities.

Sections 15.1 and 16.4 of this bill provide that a child who participates in the program but who does not enroll in a private school is an opt-in child. Section 16.4 requires the parent or guardian of such a child to notify the school district where the child would otherwise attend ~~[]~~ or the charter school in which the child was previously enrolled, as applicable.

Existing law requires the parent of a homeschooled child who wishes to participate in activities at a public school, including a charter school, through a school district or through the Nevada Interscholastic Activities Association

to file a notice of intent to participate with the school district in which the child resides. (NRS 386.430, 386.580, 392.705) Section 16.5 of this bill enacts similar requirements for the parents of an opt-in child who wishes to participate with the school district. Sections 15.2 and 15.3 of this bill authorize an opt-in child to participate in the Nevada Youth Legislature. Sections 15.4-15.8 and 16.7 of this bill authorize an opt-in child to participate in activities at a public school, through a school district or through the Nevada Interscholastic Activities Association if the parent files a notice of intent to participate. Section 16.6 of this bill requires an opt-in child who wishes to enroll in a public high school to provide proof demonstrating competency in courses required for promotion to high school similar to that required of a homeschooled child who wishes to enroll in a public high school.

Section 14 of this bill provides that the provisions of this bill may not be deemed to infringe on the independence or autonomy of any private school or to make the actions of a private school the actions of the government of this State. Section 15.9 of this bill exempts grants deposited in an education savings account from a prohibition on the use of public school funds for other purposes.

Existing law requires children who are suspended or expelled from a public school for certain reasons to enroll in a private school or program of independent study or be homeschooled. (NRS 392.466) Section 16.8 of this bill authorizes such a child to be an opt-in child.

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

Section 1. Chapter 385 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 15, inclusive, of this act.

Sec. 2. *As used in sections 2 to 15, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 6, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Education savings account" means an account established for a child pursuant to section 7 of this act.*

Sec. 3.5. *"Eligible institution" means:*

1. *A university, state college or community college within the Nevada System of Higher Education; or*

2. *Any other college or university that:*

(a) *Was originally established in, and is organized under the laws of, this State;*

(b) *Is exempt from taxation pursuant to 26 U.S.C. § 501(c)(3); and*

(c) *Is accredited by a regional accrediting agency recognized by the United States Department of Education.*

Sec. 4. *"Parent" means the parent, custodial parent, legal guardian or other person in this State who has control or charge of a child and the legal right to direct the education of the child.*

Sec. 5. "Participating entity" means a private school that is licensed pursuant to chapter 394 of NRS or exempt from such licensing pursuant to NRS 394.211, an eligible institution, a program of distance education that is not offered by a public school or the Department, a tutor or tutoring agency or a parent that has provided to the State Treasurer the application described in subsection 1 of section 11 of this act.

Sec. 5.5. "Program of distance education" has the meaning ascribed to it in NRS 388.829.

Sec. 6. "Resident school district" means the school district in which a child would be enrolled based on his or her residence.

Sec. 7. 1. Except as otherwise provided in subsection 10, the parent of any child required by NRS 392.040 to attend a public school who has been enrolled in a public school in this State during the period immediately preceding the establishment of an education savings account pursuant to this section for not less than 100 school days without interruption may establish an education savings account for the child by entering into a written agreement with the State Treasurer, in a manner and on a form provided by the State Treasurer. The agreement must provide that:

(a) The child will receive instruction in this State from a participating entity for the school year for which the agreement applies;

(b) The child will receive a grant, in the form of money deposited pursuant to section 8 of this act in the education savings account established for the child pursuant to subsection 2;

(c) The money in the education savings account established for the child must be expended only as authorized by section 9 of this act; and

(d) The State Treasurer will freeze money in the education savings account during any break in the school year, including any break between school years.

2. If an agreement is entered into pursuant to subsection 1, an education savings account must be established by the parent on behalf of the child. The account must be maintained with a financial management firm qualified by the State Treasurer pursuant to section 10 of this act. ~~for with a bank or other financial institution.~~

3. The failure to enter into an agreement pursuant to subsection 1 for any school year for which a child is required by NRS 392.040 to attend a public school does not preclude the parent of the child from entering into an agreement for a subsequent school year.

4. An agreement entered into pursuant to subsection 1 is valid for 1 school year but may be terminated early. If the agreement is terminated early, the child may not receive instruction from a public school in this State until the end of the period for which the last deposit was made into the education savings account pursuant to section 8 of this act, except to the extent the pupil was allowed to receive instruction from a public school under the agreement.

5. An agreement terminates automatically if the child no longer resides in this State. In such a case, any money remaining in the education savings account of the child reverts to the State General Fund.

6. An agreement may be renewed for any school year for which the child is required by NRS 392.040 to attend a public school. The failure to renew an agreement for any school year does not preclude the parent of the child from renewing the agreement for any subsequent school year.

7. A parent may enter into a separate agreement pursuant to subsection 1 for each child of the parent. Not more than one education savings account may be established for a child.

8. Except as otherwise provided in subsection 10, the State Treasurer shall enter into or renew an agreement pursuant to this section with any parent of a child required by NRS 392.040 to attend a public school who applies to the State Treasurer in the manner provided by the State Treasurer. The State Treasurer shall make the application available on the Internet website of the State Treasurer.

9. Upon entering into or renewing an agreement pursuant to this section, the State Treasurer shall provide to the parent who enters into or renews the agreement a written explanation of the authorized uses, pursuant to section 9 of this act, of the money in an education savings account and the responsibilities of the parent and the State Treasurer pursuant to the agreement and sections 2 to 15, inclusive, of this act.

10. A parent may not establish an education savings account for a child who will be homeschooled, who will receive instruction outside this State or who will remain enrolled full-time in a public school, regardless of whether such a child receives instruction from a participating entity. A parent may establish an education savings account for a child who receives a portion of his or her instruction from a public school and a portion of his or her instruction from a participating entity.

Sec. 8. 1. If a parent enters into or renews an agreement pursuant to section 7 of this act, a grant of money on behalf of the child must be deposited in the education savings account of the child.

2. Except as otherwise provided in subsections 3 and 4, the grant required by subsection 1 must, for the school year for which the grant is made, be in an amount equal to:

(a) For a child ~~[with special needs]~~ who is a pupil with a disability, as defined in NRS 388.440, or a child with a household income that is less than 185 percent of the federally designated level signifying poverty, 100 percent of the ~~sum of the~~ statewide average basic support per pupil; ~~in the county in which the child resides, plus the amount of local funds available per pupil pursuant to NRS 387.1235;~~ and

(b) For all other children, 90 percent of the ~~sum of the~~ statewide average basic support per pupil; ~~in the county in which the child resides plus the amount of local funds available per pupil pursuant to NRS 387.1235;~~

3. If a child receives a portion of his or her instruction from a participating entity and a portion of his or her instruction from a public school, for the school year for which the grant is made, the grant required by subsection 1 must be in a pro rata based on amount the percentage of the total instruction provided to the child by the participating entity in proportion to the total instruction provided to the child.

4. The State Treasurer may deduct not more than 3 percent of each grant for the administrative costs of implementing the provisions of sections 2 to 15, inclusive, of this act.

5. The State Treasurer shall deposit the money for each grant in quarterly installments pursuant to a schedule determined by the State Treasurer.

6. Any money remaining in an education savings account:

(a) At the end of a school year may be carried forward to the next school year if the agreement entered into pursuant to section 7 of this act is renewed.

(b) When an agreement entered into pursuant to section 7 of this act is not renewed or ~~is terminated~~ ~~while the child is still required by NRS 392.040 to attend a public school,~~ because the child for whom the account was established graduates from high school or for any other reason, reverts to the State General Fund at the end of the last day of the agreement.

~~[(c) When the child for whom the account was established graduates from high school, may be carried forward and used in the manner authorized in section 9 of this act. Such money reverts to the State General Fund 4 years after the date on which the child graduates from high school if not used unless the State Treasurer allows the money to be carried forward for a longer period upon a showing of good cause. Good cause may be established if the person for whom the account was established has been actively serving or participating in a charitable, religious or public service assignment or mission and as a result was prevented from using the money in the account within 4 years.]~~

~~7. A child on whose behalf a grant is made pursuant to this section must be counted in the enrollment of his or her resident school district only for the purpose of calculating the amount described in subsection 2.]~~

Sec. 9. 1. ~~[Except as otherwise provided in subsection 2, money]~~ Money deposited in an education savings account must be used only to pay for:

(a) Tuition and fees at a school that is a participating entity in which the child is enrolled;

(b) Textbooks required for a child who enrolls in a school that is a participating entity;

(c) Tutoring or other teaching services provided by a tutor or tutoring facility that is a participating entity;

(d) Tuition and fees for a program of distance education that is a participating entity;

(e) Fees for any national norm-referenced achievement examination, advanced placement or similar examination or standardized examination required for admission to a college or university;

~~(f) [Payments to the Nevada Higher Education Prepaid Tuition Trust Fund created by NRS 353B.140 pursuant to a prepaid tuition contract entered into on behalf of the child or the Nevada College Savings Trust Fund created by NRS 353B.340 pursuant to a savings trust agreement entered into on behalf of the child;~~

~~—(g)—~~ If the child is a pupil with a disability, as that term is defined in NRS 388.440, fees for any special instruction or special services provided to the child;

~~[(h)]~~ (g) Tuition and fees at an eligible institution that is a participating entity;

~~[(i)]~~ (h) Textbooks required for the child at an eligible institution that is a participating entity or to receive instruction from any other participating entity;

~~[(j)]~~ (i) Fees for the management of the education savings account, as described in section 10 of this act;

~~[(k)]~~ (j) Transportation required for the child to travel to and from a participating entity or any combination of participating entities up to but not to exceed \$750 per school year; or

~~[(l)]~~ (k) Purchasing a curriculum or any supplemental materials required to administer the curriculum.

2. ~~[Money that is carried forward in an education savings account after the child for whom the account was established graduates from high school pursuant to section 8 of this act may be used to pay for any postsecondary education that is provided by an institution or entity located in this State.~~

~~—3.—~~ A participating entity that receives a payment authorized by subsection 1 shall not:

(a) Refund any portion of the payment to the parent who made the payment, unless the refund is for an item that is being returned or an item or service that has not been provided; or

(b) Rebate or otherwise share any portion of the payment with the parent who made the payment.

~~[(4)]~~ 3. A parent who receives a refund pursuant to subsection ~~[(3)]~~ 2 shall deposit the refund in the education savings account from which the money refunded was paid.

~~[(5)]~~ 4. Nothing in this section shall be deemed to prohibit a parent or child from making a payment for any tuition, fee, service or product described in subsection 1 from a source other than the education savings account of the child.

Sec. 10. 1. The State Treasurer shall qualify one or more private financial management firms to manage education savings accounts and shall establish reasonable fees, based on market rates, for the management of education savings accounts.

2. *An education savings account must be audited randomly each year by a certified or licensed public accountant. The State Treasurer may provide for additional audits of an education savings account as it determines necessary.*

3. *If the State Treasurer determines that there has been substantial misuse of the money in an education savings account, the State Treasurer may:*

(a) Freeze or dissolve the account, subject to any regulations adopted by the State Treasurer providing for notice of such action and opportunity to respond to the notice; and

(b) Give notice of his or her determination to the Attorney General or the district attorney of the county in which the parent resides.

Sec. 11. 1. *The following persons may become a participating entity by submitting an application demonstrating that the person is:*

(a) A private school licensed pursuant to chapter 394 of NRS or exempt from such licensing pursuant to NRS 394.211;

(b) An eligible institution;

(c) A program of distance education that is not operated by a public school or the Department;

(d) A tutor or tutoring facility that is accredited by a state, regional or national accrediting organization; or

(e) The parent of a child.

2. *The State Treasurer shall approve an application submitted pursuant to subsection 1 or request additional information to demonstrate that the person meets the criteria to serve as a participating entity. If the applicant is unable to provide such additional information, the State Treasurer may deny the application.*

3. *If it is reasonably expected that a participating entity will receive, from payments made from education savings accounts, more than \$50,000 during any school year, the participating entity shall annually, on or before the date prescribed by the State Treasurer by regulation:*

(a) Post a surety bond in an amount equal to the amount reasonably expected to be paid to the participating entity from education savings accounts during the school year; or

(b) Provide evidence satisfactory to the State Treasurer that the participating entity otherwise has unencumbered assets sufficient to pay to the State Treasurer an amount equal to the amount described in paragraph (a).

4. *Each participating entity that accepts payments made from education savings accounts shall provide a receipt for each such payment to the parent who makes the payment.*

5. *The State Treasurer may refuse to allow an entity described in subsection 1 to continue to participate in the grant program provided for in sections 2 to 15, inclusive, of this act if the State Treasurer determines that the entity:*

(a) Has routinely failed to comply with the provisions of sections 2 to 15, inclusive, of this act; or

(b) Has failed to provide any educational services required by law to a child receiving instruction from the entity if the entity is accepting payments made from the education savings account of the child.

6. If the State Treasurer takes an action described in subsection 5 against an entity described in subsection 1, the State Treasurer shall provide immediate notice of the action to each parent of a child receiving instruction from the entity who has entered into or renewed an agreement pursuant to section 7 of this act and on behalf of whose child a grant of money has been deposited pursuant to section 8 of this act.

Sec. 12. 1. Each participating entity that accepts payments for tuition and fees made from education savings accounts shall:

(a) Ensure that each child on whose behalf a grant of money has been deposited pursuant to section 8 of this act and who is receiving instruction from the participating entity takes:

(1) Any examinations in mathematics and English language arts required for pupils of the same grade pursuant to chapter 389 of NRS; or

(2) Norm-referenced achievement examinations in mathematics and English language arts each school year;

(b) Provide for value-added assessments of the results of the examinations described in paragraph (a); and

(c) Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, provide the results of the examinations described in paragraph (a) to the Department or an organization designated by the Department pursuant to subsection 4.

2. The Department shall:

(a) Aggregate the examination results provided pursuant to subsection 1 according to the grade level, gender, race and family income level of each child whose examination results are provided; and

(b) Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, make available on the Internet website of the Department:

(1) The aggregated results and any associated learning gains; and

(2) After 3 school years for which examination data has been collected, the graduation rates, as applicable, of children whose examination results are provided.

3. The State Treasurer shall administer an annual survey of parents who enter into or renew an agreement pursuant to section 7 of this act. The survey must ask each parent to indicate the number of years the parent has entered into or renewed such an agreement and to express:

(a) The relative satisfaction of the parent with the grant program established pursuant to sections 2 to 15, inclusive, of this act; and

(b) The opinions of the parent regarding any topics, items or issues that the State Treasurer determines may aid the State Treasurer in evaluating and

improving the effectiveness of the grant program established pursuant to sections 2 to 15, inclusive, of this act.

4. The Department may arrange for a third-party organization to perform the duties of the Department prescribed by this section.

Sec. 13. 1. *The State Treasurer shall annually make available a list of participating entities, other than any parent of a child.*

2. *Subject to the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. § 1232g, and any regulations adopted pursuant thereto, the Department shall annually require the resident school district of each child on whose behalf a grant of money is made pursuant to section 8 of this act to provide to the participating entity any educational records of the child.*

Sec. 14. *Except as otherwise provided in sections 2 to 15, inclusive, of this act, nothing in the provisions of sections 2 to 15, inclusive, of this act, shall be deemed to limit the independence or autonomy of a participating entity or to make the actions of a participating entity the actions of the State Government.*

Sec. 15. *The State Treasurer shall adopt any regulations necessary or convenient to carry out the provisions of sections 2 to 15, inclusive, of this act.*

Sec. 15.1. 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.

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 ~~[-]~~, but does not include an opt-in child.

4. "Limited English proficient" has the meaning ascribed to it in 20 U.S.C. § 7801(25).

5. "Opt-in child" means a child for whom an education savings account has been established pursuant to section 7 of this act, who is not enrolled full-time in a public or private school and who receives all or a portion of his or her instruction from a participating entity, as defined in section 5 of this act.

6. "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.

~~[-]~~ 7. "State Board" means the State Board of Education.

~~[-]~~ 8. "University school for profoundly gifted pupils" has the meaning ascribed to it in NRS 392A.040.

Sec. 15.2. NRS 385.525 is hereby amended to read as follows:

385.525 1. To be eligible to serve on the Youth Legislature, a person:

(a) Must be:

(1) A resident of the senatorial district of the Senator who appoints him or her;

(2) Enrolled in a public school or private school located in the senatorial district of the Senator who appoints him or her; or

(3) A homeschooled child *or opt-in child* who is otherwise eligible to be enrolled in a public school in the senatorial district of the Senator who appoints him or her;

(b) Except as otherwise provided in subsection 3 of NRS 385.535, must be:

(1) Enrolled in a public school or private school in this State in grade 9, 10 or 11 for the first school year of the term for which he or she is appointed; or

(2) A homeschooled child *or opt-in child* who is otherwise eligible to enroll in a public school in this State in grade 9, 10 or 11 for the first school year of the term for which he or she is appointed; and

(c) Must not be related by blood, adoption or marriage within the third degree of consanguinity or affinity to the Senator who appoints him or her or to any member of the Assembly who collaborated to appoint him or her.

2. If, at any time, a person appointed to the Youth Legislature changes his or her residency or changes his or her school of enrollment in such a manner as to render the person ineligible under his or her original appointment, the person shall inform the Board, in writing, within 30 days after becoming aware of such changed facts.

3. A person who wishes to be appointed or reappointed to the Youth Legislature must submit an application on the form prescribed pursuant to subsection 4 to the Senator of the senatorial district in which the person resides, is enrolled in a public school or private school or, if the person is a homeschooled child ~~[-]~~ *or opt-in child*, the senatorial district in which he or she is otherwise eligible to be enrolled in a public school. A person may not submit an application to more than one Senator in a calendar year.

4. The Board shall prescribe a form for applications submitted pursuant to this section, which must require the signature of the principal of the school in which the applicant is enrolled or, if the applicant is a homeschooled child ~~[-]~~ *or opt-in child*, the signature of a member of the community in which the applicant resides other than a relative of the applicant.

Sec. 15.3. NRS 385.535 is hereby amended to read as follows:

385.535 1. A position on the Youth Legislature becomes vacant upon:

(a) The death or resignation of a member.

(b) The absence of a member for any reason from:

(1) Two meetings of the Youth Legislature, including, without limitation, meetings conducted in person, meetings conducted by teleconference, meetings conducted by videoconference and meetings conducted by other electronic means;

(2) Two activities of the Youth Legislature;

(3) Two event days of the Youth Legislature; or

(4) Any combination of absences from meetings, activities or event days of the Youth Legislature, if the combination of absences therefrom equals two or more,

↪ unless the absences are, as applicable, excused by the Chair or Vice Chair of the Board.

(c) A change of residency or a change of the school of enrollment of a member which renders that member ineligible under his or her original appointment.

2. In addition to the provisions of subsection 1, a position on the Youth Legislature becomes vacant if:

(a) A member of the Youth Legislature graduates from high school or otherwise ceases to attend public school or private school for any reason other than to become a homeschooled child ~~or~~ *or opt-in child*; or

(b) A member of the Youth Legislature who is a homeschooled child *or opt-in child* completes an educational plan of instruction for grade 12 or otherwise ceases to be a homeschooled child *or opt-in child* for any reason other than to enroll in a public school or private school.

3. A vacancy on the Youth Legislature must be filled:

(a) For the remainder of the unexpired term in the same manner as the original appointment, except that, if the remainder of the unexpired term is less than 1 year, the member of the Senate who made the original appointment may appoint a person who:

(1) Is enrolled in a public school or private school in this State in grade 12 or who is a homeschooled child *or opt-in child* who is otherwise eligible to enroll in a public school in this State in grade 12; and

(2) Satisfies the qualifications set forth in paragraphs (a) and (c) of subsection 1 of NRS 385.525.

(b) Insofar as is practicable, within 30 days after the date on which the vacancy occurs.

4. As used in this section, "event day" means any single calendar day on which an official, scheduled event of the Youth Legislature is held, including, without limitation, a course of instruction, a course of orientation, a meeting, a seminar or any other official, scheduled activity.

Sec. 15.4. 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. The regulations must include provisions governing the eligibility and participation of homeschooled children *and opt-in children* in interscholastic activities and events. In addition to the regulations governing eligibility ~~[a]~~ :

(a) 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.

(b) An opt-in child who wishes to participate must have on file with the school district in which the child resides a current notice of intent of an opt-in child to participate in programs and activities pursuant to section 16.5 of this act.

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. 15.5. 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. *An opt-in 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 an opt-in 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 section 16.5 of this act.*

3. The provisions of NRS 386.420 to 386.470, inclusive, 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 *and opt-in 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. 15.6. NRS 386.463 is hereby amended to read as follows:

386.463 No challenge may be brought by the Nevada Interscholastic Activities Association, a school district, a public school or a private school, a parent or guardian of a pupil enrolled in a public school or a private school, a pupil enrolled in a public school or private school, or any other entity or person claiming that an interscholastic activity or event is invalid because homeschooled children *or opt-in children* are allowed to participate in the interscholastic activity or event.

Sec. 15.7. NRS 386.464 is hereby amended to read as follows:

386.464 A school district, public school or private school shall not prescribe any regulations, rules, policies, procedures or requirements governing the:

1. Eligibility of homeschooled children *or opt-in children* to participate in interscholastic activities and events pursuant to NRS 386.420 to 386.470, inclusive; or

2. Participation of homeschooled children *or opt-in children* in interscholastic activities and events pursuant to NRS 386.420 to 386.470, inclusive,

➤ that are more restrictive than the provisions governing eligibility and participation prescribed by the Nevada Interscholastic Activities Association pursuant to NRS 386.430.

Sec. 15.8. NRS 386.580 is hereby amended to read as follows:

386.580 1. An application for enrollment in a charter school may be submitted to the governing body of the charter school by the parent or legal guardian of any child who resides in this State. Except as otherwise provided in this subsection and subsection 2, a charter school shall enroll pupils who are eligible for enrollment in the order in which the applications are received. If the board of trustees of the school district in which the charter school is located has established zones of attendance pursuant to NRS 388.040, the charter school shall, if practicable, ensure that the racial composition of

pupils enrolled in the charter school does not differ by more than 10 percent from the racial composition of pupils who attend public schools in the zone in which the charter school is located. If a charter school is sponsored by the board of trustees of a school district located in a county whose population is 100,000 or more, except for a program of distance education provided by the charter school, the charter school shall enroll pupils who are eligible for enrollment who reside in the school district in which the charter school is located before enrolling pupils who reside outside the school district. Except as otherwise provided in subsection 2, if more pupils who are eligible for enrollment apply for enrollment in the charter school than the number of spaces which are available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

2. Before a charter school enrolls pupils who are eligible for enrollment, a charter school may enroll a child who:

- (a) Is a sibling of a pupil who is currently enrolled in the charter school;
- (b) Was enrolled, free of charge and on the basis of a lottery system, in a prekindergarten program at the charter school or any other early childhood educational program affiliated with the charter school;
- (c) Is a child of a person who is:
 - (1) Employed by the charter school;
 - (2) A member of the committee to form the charter school; or
 - (3) A member of the governing body of the charter school;
- (d) Is in a particular category of at-risk pupils and the child meets the eligibility for enrollment prescribed by the charter school for that particular category; or
- (e) Resides within the school district and within 2 miles of the charter school if the charter school is located in an area that the sponsor of the charter school determines includes a high percentage of children who are at risk. If space is available after the charter school enrolls pupils pursuant to this paragraph, the charter school may enroll children who reside outside the school district but within 2 miles of the charter school if the charter school is located within an area that the sponsor determines includes a high percentage of children who are at risk.

➡ If more pupils described in this subsection who are eligible apply for enrollment than the number of spaces available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

3. Except as otherwise provided in subsection 8, a charter school shall not accept applications for enrollment in the charter school or otherwise discriminate based on the:

- (a) Race;
- (b) Gender;
- (c) Religion;
- (d) Ethnicity; or

(e) Disability,
 ↳ of a pupil.

4. If the governing body of a charter school determines that the charter school is unable to provide an appropriate special education program and related services for a particular disability of a pupil who is enrolled in the charter school, the governing body may request that the board of trustees of the school district of the county in which the pupil resides transfer that pupil to an appropriate school.

5. Except as otherwise provided in this subsection, upon the request of a parent or legal guardian of a child who is enrolled in a public school of a school district or a private school, or a parent or legal guardian of a homeschooled child ~~{,}~~ *or opt-in child*, the governing body of the charter school shall authorize the child to participate in a class that is not otherwise available to the child at his or her school, ~~{or}~~ *homeschool or from his or her participating entity, as defined in section 5 of this act*, or participate in an extracurricular activity at the charter school if:

(a) Space for the child in the class or extracurricular activity is available;
 (b) The parent or legal guardian demonstrates to the satisfaction of the governing body that the child is qualified to participate in the class or extracurricular activity; and

(c) The child is ~~{a}~~ :

(1) *A homeschooled child and 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 {,} ; or*

(2) *An opt-in child and a notice of intent of an opt-in 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 section 16.5 of this act.*

↳ If the governing body of a charter school authorizes a child to participate in a class or extracurricular activity pursuant to this subsection, the governing body is not required to provide transportation for the child to attend the class or activity. A charter school shall not authorize such a child to participate in a class or activity through a program of distance education provided by the charter school pursuant to NRS 388.820 to 388.874, inclusive.

6. The governing body of a charter school may revoke its approval for a child to participate in a class or extracurricular activity at a charter school pursuant to subsection 5 if the governing body determines that the child has failed to comply with applicable statutes, or applicable rules and regulations. If the governing body so revokes its approval, neither the governing body nor the charter school is liable for any damages relating to the denial of services to the child.

7. The governing body of a charter school may, before authorizing a homeschooled child *or opt-in child* to participate in a class or extracurricular activity pursuant to subsection 5, require proof of the identity of the child,

including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

8. This section does not preclude the formation of a charter school that is dedicated to provide educational services exclusively to pupils:

(a) With disabilities;

(b) Who pose such severe disciplinary problems that they warrant a specific educational program, including, without limitation, a charter school specifically designed to serve a single gender that emphasizes personal responsibility and rehabilitation; or

(c) Who are at risk.

➡ If more eligible pupils apply for enrollment in such a charter school than the number of spaces which are available, the charter school shall determine which applicants to enroll pursuant to this subsection on the basis of a lottery system.

Sec. 15.9. NRS 387.045 is hereby amended to read as follows:

387.045 *Except as otherwise provided in sections 2 to 15, inclusive, of this act:*

1. No portion of the public school funds or of the money specially appropriated for the purpose of public schools shall be devoted to any other object or purpose.

2. No portion of the public school funds shall in any way be segregated, divided or set apart for the use or benefit of any sectarian or secular society or association.

Sec. 15.95. 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 *or receiving a portion of his or her instruction from a participating entity, as defined in section 5 of this act*, 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 *or receiving a portion of his or her instruction from a participating entity, as defined in section 5 of this act*, 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 or subsection 3 of NRS 392.070, 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. 16. NRS 387.124 is hereby amended to read as follows:

387.124 Except as otherwise provided in this section and NRS 387.528:

1. On or before August 1, November 1, February 1 and May 1 of each year, the Superintendent of Public Instruction shall apportion the State Distributive School Account in the State General Fund among the several county school districts, charter schools and university schools for profoundly gifted pupils in amounts approximating one-fourth of their respective yearly apportionments less any amount set aside as a reserve. Except as otherwise provided in NRS 387.1244, the apportionment to a school district, computed on a yearly basis, equals the difference between the basic support and the local funds available pursuant to NRS 387.1235, minus all the funds

attributable to pupils who reside in the county but attend a charter school, all the funds attributable to pupils who reside in the county and are enrolled full-time or part-time in a program of distance education provided by another school district or a charter school, ~~and~~ all the funds attributable to pupils who are enrolled in a university school for profoundly gifted pupils located in the county ~~[-]~~ *and all the funds deposited in education savings accounts established on behalf of children who reside in the county pursuant to sections 2 to 15, inclusive, of this act.* No apportionment may be made to a school district if the amount of the local funds exceeds the amount of basic support.

2. Except as otherwise provided in subsection 3 and NRS 387.1244, the apportionment to a charter school, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides minus the sponsorship fee prescribed by NRS 386.570 and minus all the funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school. If the apportionment per pupil to a charter school is more than the amount to be apportioned to the school district in which a pupil who is enrolled in the charter school resides, the school district in which the pupil resides shall pay the difference directly to the charter school.

3. Except as otherwise provided in NRS 387.1244, the apportionment to a charter school that is sponsored by the State Public Charter School Authority or by a college or university within the Nevada System of Higher Education, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the pupil resides plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the pupil resides, minus the sponsorship fee prescribed by NRS 386.570 and minus all funds attributable to pupils who are enrolled in the charter school but are concurrently enrolled part-time in a program of distance education provided by a school district or another charter school.

4. Except as otherwise provided in NRS 387.1244, in addition to the apportionments made pursuant to this section, an apportionment must be made to a school district or charter school that provides a program of distance education for each pupil who is enrolled part-time in the program. The amount of the apportionment must be equal to the percentage of the total time services are provided to the pupil through the program of distance education 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) of paragraph (a) of subsection 1 of NRS 387.1233 for the school district in which the pupil resides.

5. The governing body of a charter school may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the charter school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A charter school may receive all four apportionments in advance in its first year of operation.

6. Except as otherwise provided in NRS 387.1244, the apportionment to a university school for profoundly gifted pupils, computed on a yearly basis, is equal to the sum of the basic support per pupil in the county in which the university school is located plus the amount of local funds available per pupil pursuant to NRS 387.1235 and all other funds available for public schools in the county in which the university school is located. If the apportionment per pupil to a university school for profoundly gifted pupils is more than the amount to be apportioned to the school district in which the university school is located, the school district shall pay the difference directly to the university school. The governing body of a university school for profoundly gifted pupils may submit a written request to the Superintendent of Public Instruction to receive, in the first year of operation of the university school, an apportionment 30 days before the apportionment is required to be made pursuant to subsection 1. Upon receipt of such a request, the Superintendent of Public Instruction may make the apportionment 30 days before the apportionment is required to be made. A university school for profoundly gifted pupils may receive all four apportionments in advance in its first year of operation.

7. The Superintendent of Public Instruction shall apportion, on or before August 1 of each year, the money designated as the "Nutrition State Match" pursuant to NRS 387.105 to those school districts that participate in the National School Lunch Program, 42 U.S.C. §§ 1751 et seq. The apportionment to a school district must be directly related to the district's reimbursements for the Program as compared with the total amount of reimbursements for all school districts in this State that participate in the Program.

8. If the State Controller finds that such an action is needed to maintain the balance in the State General Fund at a level sufficient to pay the other appropriations from it, the State Controller may pay out the apportionments monthly, each approximately one-twelfth of the yearly apportionment less any amount set aside as a reserve. If such action is needed, the State Controller shall submit a report to the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau documenting reasons for the action.

Sec. 16.2. NRS 388.850 is hereby amended to read as follows:

388.850 1. A pupil may enroll in a program of distance education unless:

(a) Pursuant to this section or other specific statute, the pupil is not eligible for enrollment or the pupil's enrollment is otherwise prohibited;

(b) The pupil fails to satisfy the qualifications and conditions for enrollment adopted by the State Board pursuant to NRS 388.874; or

(c) The pupil fails to satisfy the requirements of the program of distance education.

2. A child who is exempt from compulsory attendance and is enrolled in a private school pursuant to chapter 394 of NRS or is being homeschooled is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1.

3. *An opt-in child who is exempt from compulsory attendance is not eligible to enroll in or otherwise attend a program of distance education, regardless of whether the child is otherwise eligible for enrollment pursuant to subsection 1, unless the opt-in child receives only a portion of his or her instruction from a participating entity as authorized pursuant to section 7 of this act.*

4. If a pupil who is prohibited from attending public school pursuant to NRS 392.264 enrolls in a program of distance education, the enrollment and attendance of that pupil must comply with all requirements of NRS 62F.100 to 62F.150, inclusive, and 392.251 to 392.271, inclusive.

Sec. 16.3. Chapter 392 of NRS is hereby amended by adding thereto the provisions set forth as sections 16.35, 16.4 and 16.5 of this act.

Sec. 16.35. *As used in this section and sections 16.4 and 16.5 of this act, unless the context otherwise requires, "parent" has the meaning ascribed to it in section 4 of this act.*

Sec. 16.4. 1. *The parent of an opt-in child shall provide notice to the school district where the child would otherwise attend or the charter school in which the child was previously enrolled, as applicable, that the child is an opt-in child as soon as practicable after entering into an agreement to establish an education savings account pursuant to section 7 of this act. Such notice must also include:*

(a) The full name, age and gender of the child; and

(b) The name and address of each parent of the child.

2. *The superintendent of schools of a school district or the governing body of a charter school, as applicable, shall accept a notice provided pursuant to subsection 1 and shall not require any additional assurances from the parent who filed the notice.*

3. *The school district or the charter school, as applicable, shall provide to a parent who files a notice pursuant to subsection 1, a written acknowledgement which clearly indicates that the parent has provided the notification required by law and that the child is an opt-in child. The written acknowledgement shall be deemed proof of compliance with Nevada's compulsory school attendance law.*

4. The superintendent of schools of a school district or the governing body of a charter school, as applicable, shall process a written request for a copy of the records of the school district ~~for~~ or charter school, as applicable, or any information contained therein, relating to an opt-in child not later than 5 days after receiving the request. The superintendent of schools or governing body of a charter school may only release such records or information:

(a) To the Department, the Budget Division of the Department of Administration and the Fiscal Analysis Division of the Legislative Counsel Bureau for use in preparing the biennial budget;

(b) To a person or entity specified by the parent of the child, or by the child if the child is at least 18 years of age, upon suitable proof of identity of the parent or child; or

~~+(b)+~~ (c) If required by specific statute.

5. If an opt-in child seeks admittance or entrance to any public school in this State, the school may use only commonly used practices in determining the academic ability, placement or eligibility of the child. If the child enrolls in a charter school, the charter school shall, to the extent practicable, notify the board of trustees of the resident school district of the child's enrollment in the charter school. Regardless of whether the charter school provides such notification to the board of trustees, the charter school may count the child who is enrolled for the purposes of the calculation of basic support pursuant to NRS 387.1233. An opt-in child seeking admittance to public high school must comply with NRS 392.033.

6. A school shall not discriminate in any manner against an opt-in child or a child who was formerly an opt-in child.

7. Each school district shall allow an opt-in child to participate in all college entrance examinations offered in this State, including, without limitation, the SAT, the ACT, the Preliminary SAT and the National Merit Scholarship Qualifying Test. Each school district shall upon request, provide information to the parent of an opt-in child who resides in the school district has adequate notice of the availability of information concerning such examinations on the Internet website of the school district maintained pursuant to NRS 389.004.

Sec. 16.5. 1. The Department shall develop a standard form for the notice of intent of an opt-in child to participate in programs and activities. The board of trustees of each school district shall, in a timely manner, make only the form developed by the Department available to parents of opt-in children.

2. If an opt-in child wishes to participate in classes, activities, programs, sports or interscholastic activities and events at a public school or through a school district, or through the Nevada Interscholastic Activities Association, the parent of the child must file a current notice of intent to participate with the resident school district.

Sec. 16.6. NRS 392.033 is hereby amended to read as follows:

392.033 1. The State Board shall adopt regulations which prescribe the courses of study required for promotion to high school, including, without limitation, English, mathematics, science and social studies. The regulations may include the credits to be earned in each course.

2. Except as otherwise provided in subsection 4, the board of trustees of a school district shall not promote a pupil to high school if the pupil does not complete the course of study or credits required for promotion. The board of trustees of the school district in which the pupil is enrolled may provide programs of remedial study to complete the courses of study required for promotion to high school.

3. The board of trustees of each school district shall adopt a procedure for evaluating the course of study or credits completed by a pupil who transfers to a junior high or middle school from a junior high or middle school in this State or from a school outside of this State.

4. The board of trustees of each school district shall adopt a policy that allows a pupil who has not completed the courses of study or credits required for promotion to high school to be placed on academic probation and to enroll in high school. A pupil who is on academic probation pursuant to this subsection shall complete appropriate remediation in the subject areas that the pupil failed to pass. The policy must include the criteria for eligibility of a pupil to be placed on academic probation. A parent or guardian may elect not to place his or her child on academic probation but to remain in grade 8.

5. A homeschooled child *or opt-in child* who enrolls in a public high school shall, upon initial enrollment:

(a) Provide documentation sufficient to prove that the child has successfully completed the courses of study required for promotion to high school through an accredited program of homeschool study recognized by the board of trustees of the school district ~~[-]~~ *or from a participating entity, as applicable;*

(b) Demonstrate proficiency in the courses of study required for promotion to high school through an examination prescribed by the board of trustees of the school district; or

(c) Provide other proof satisfactory to the board of trustees of the school district demonstrating competency in the courses of study required for promotion to high school.

6. *As used in this section, "participating entity" has the meaning ascribed to it in section 5 of this act.*

Sec. 16.7. NRS 392.070 is hereby amended to read as follows:

392.070 1. Attendance of a child required by the provisions of NRS 392.040 must be excused when:

(a) The child is enrolled in a private school pursuant to chapter 394 of NRS; ~~[-or]~~

(b) A parent of the child chooses to provide education to the child and files a notice of intent to homeschool the child with the superintendent of

schools of the school district in which the child resides in accordance with NRS 392.700 ~~to~~; *or*

(c) *The child is an opt-in child and notice of such has been provided to the school district in which the child resides or the charter school in which the child was previously enrolled, as applicable, in accordance with section 16.4 of this act.*

2. The board of trustees of each school district shall provide programs of special education and related services for homeschooled children. The programs of special education and related services required by this section must be made available:

(a) Only if a child would otherwise be eligible for participation in programs of special education and related services pursuant to NRS 388.440 to 388.520, inclusive;

(b) In the same manner that the board of trustees provides, as required by 20 U.S.C. § 1412, for the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians; and

(c) In accordance with the same requirements set forth in 20 U.S.C. § 1412 which relate to the participation of pupils with disabilities who are enrolled in private schools within the school district voluntarily by their parents or legal guardians.

3. Except as otherwise provided in subsection 2 for programs of special education and related services, upon the request of a parent or legal guardian of a child who is enrolled in a private school or a parent or legal guardian of a homeschooled child ~~to~~ *or opt-in child*, the board of trustees of the school district in which the child resides shall authorize the child to participate in any classes and extracurricular activities, excluding sports, at a public school within the school district if:

(a) Space for the child in the class or extracurricular activity is available;

(b) The parent or legal guardian demonstrates to the satisfaction of the board of trustees that the child is qualified to participate in the class or extracurricular activity; and

(c) If the child is ~~to~~ :

(1) *A homeschooled child, a notice of intent of a homeschooled child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to NRS 392.705 ~~to~~; or*

(2) *An opt-in child, a notice of intent of an opt-in child to participate in programs and activities is filed for the child with the school district for the current school year pursuant to section 16.5 of this act.*

➡ If the board of trustees of a school district authorizes a child 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 child to attend the class or activity. A homeschooled child *or opt-in child* must be allowed to participate in interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to

NRS 386.420 to 386.470, inclusive, and interscholastic activities and events, including sports, pursuant to subsection 5.

4. The board of trustees of a school district may revoke its approval for a pupil to participate in a class or extracurricular activity at a public school pursuant to subsection 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. If the board of trustees 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.

5. In addition to those interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to NRS 386.420 to 386.470, inclusive, a homeschooled child *or opt-in child* must be allowed to participate in interscholastic activities and events, including sports, if a notice of intent of a homeschooled child *or opt-in child* to participate in programs and activities is filed for the child with the school district for the current school year pursuant to NRS 392.705 ~~[-]~~ *or section 16.5 of this act, as applicable*. A homeschooled child *or opt-in child* who participates in interscholastic activities and events at a public school pursuant to this subsection must participate within the school district of the child's residence through the public school which the child is otherwise zoned to attend. Any rules or regulations that apply to pupils enrolled in public schools who participate in interscholastic activities and events, including sports, apply in the same manner to homeschooled children *and opt-in 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.

6. If a homeschooled child *or opt-in child* participates in interscholastic activities and events pursuant to subsection 5:

(a) No challenge may be brought by the Association, a school district, a public school or a private school, a parent or guardian of a pupil enrolled in a public school or a private school, a pupil enrolled in a public school or a private school, or any other entity or person claiming that an interscholastic activity or event is invalid because the homeschooled child *or opt-in child* is allowed to participate.

(b) Neither the school district nor a public school may prescribe any regulations, rules, policies, procedures or requirements governing the eligibility or participation of the homeschooled child *or opt-in child* that are more restrictive than the provisions governing the eligibility and participation of pupils enrolled in public schools.

7. The programs of special education and related services required by subsection 2 may be offered at a public school or another location that is appropriate.

8. The board of trustees of a school district:

(a) May, before providing programs of special education and related services to a homeschooled child *or opt-in child* pursuant to subsection 2, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

(b) May, before authorizing a homeschooled child *or opt-in child* to participate in a class or extracurricular activity, excluding sports, pursuant to subsection 3, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

(c) Shall, before allowing a homeschooled child *or opt-in child* to participate in interscholastic activities and events governed by the Nevada Interscholastic Activities Association pursuant to NRS 386.420 to 386.470, inclusive, and interscholastic activities and events pursuant to subsection 5, require proof of the identity of the child, including, without limitation, the birth certificate of the child or other documentation sufficient to establish the identity of the child.

9. The Department shall adopt such regulations as are necessary for the boards of trustees of school districts to provide the programs of special education and related services required by subsection 2.

10. As used in this section ~~[-"related"]~~:

(a) "*Participating entity*" has the meaning ascribed to it in section 5 of this act.

(b) "*Related services*" has the meaning ascribed to it in 20 U.S.C. § 1401.

Sec. 16.8. NRS 392.466 is hereby amended to read as follows:

392.466 1. Except as otherwise provided in this section, any pupil who commits a battery which results in the bodily injury of an employee of the school or who sells or distributes any controlled substance while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be suspended or expelled from that school, although the pupil may be placed in another kind of school, for at least a period equal to one semester for that school. For a second occurrence, the pupil must be permanently expelled from that school and:

(a) Enroll in a private school pursuant to chapter 394 of NRS, *become an opt-in child* or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

2. Except as otherwise provided in this section, any pupil who is found in possession of a firearm or a dangerous weapon while on the premises of any public school, at an activity sponsored by a public school or on any school bus must, for the first occurrence, be expelled from the school for a period of not less than 1 year, although the pupil may be placed in another kind of school for a period not to exceed the period of the expulsion. For a second occurrence, the pupil must be permanently expelled from the school and:

(a) Enroll in a private school pursuant to chapter 394 of NRS, *become an opt-in child* or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

➡ The superintendent of schools of a school district may, for good cause shown in a particular case in that school district, allow a modification to the expulsion requirement of this subsection if such modification is set forth in writing.

3. Except as otherwise provided in this section, if a pupil is deemed a habitual disciplinary problem pursuant to NRS 392.4655, the pupil must be suspended or expelled from the school for a period equal to at least one semester for that school. For the period of the pupil's suspension or expulsion, the pupil must:

(a) Enroll in a private school pursuant to chapter 394 of NRS, *become an opt-in child* or be homeschooled; or

(b) Enroll in a program of independent study provided pursuant to NRS 389.155 for pupils who have been suspended or expelled from public school or a program of distance education provided pursuant to NRS 388.820 to 388.874, inclusive, if the pupil qualifies for enrollment and is accepted for enrollment in accordance with the requirements of the applicable program.

4. This section does not prohibit a pupil from having in his or her possession a knife or firearm with the approval of the principal of the school. A principal may grant such approval only in accordance with the policies or regulations adopted by the board of trustees of the school district.

5. Any pupil in grades 1 to 6, inclusive, except a pupil who has been found to have possessed a firearm in violation of subsection 2, may be suspended from school or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and approved this action in accordance with the procedural policy adopted by the board for such issues.

6. A pupil who is participating in a program of special education pursuant to NRS 388.520, other than a pupil who is gifted and talented or who receives early intervening services, may, in accordance with the procedural policy adopted by the board of trustees of the school district for such matters, be:

(a) Suspended from school pursuant to this section for not more than 10 days. Such a suspension may be imposed pursuant to this paragraph for each occurrence of conduct proscribed by subsection 1.

(b) Suspended from school for more than 10 days or permanently expelled from school pursuant to this section only after the board of trustees of the school district has reviewed the circumstances and determined that the action is in compliance with the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400 et seq.

7. As used in this section:

(a) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(b) "Dangerous weapon" includes, without limitation, a blackjack, slungshot, billy, sand-club, sandbag, metal knuckles, dirk or dagger, a nunchaku, switchblade knife or trefoil, as defined in NRS 202.350, a butterfly knife or any other knife described in NRS 202.350, or any other object which is used, or threatened to be used, in such a manner and under such circumstances as to pose a threat of, or cause, bodily injury to a person.

(c) "Firearm" includes, without limitation, any pistol, revolver, shotgun, explosive substance or device, and any other item included within the definition of a "firearm" in 18 U.S.C. § 921, as that section existed on July 1, 1995.

8. The provisions of this section do not prohibit a pupil who is suspended or expelled from enrolling in a charter school that is designed exclusively for the enrollment of pupils with disciplinary problems if the pupil is accepted for enrollment by the charter school pursuant to NRS 386.580. Upon request, the governing body of a charter school must be provided with access to the records of the pupil relating to the pupil's suspension or expulsion in accordance with applicable federal and state law before the governing body makes a decision concerning the enrollment of the pupil.

Sec. 17. This act becomes effective on :

1. July 1, 2015 ~~17~~, for the purposes of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

2. January 1, 2016, for all other purposes.

Senator Kieckhefer moved the adoption of the amendment.

Remarks by Senator Kieckhefer.

The amendment makes several changes. First, it restricts the depositing entities to those management firms that are identified by and contracted with the State Treasurer. Additionally, it removes the ability to use any of the funds in an ESA for purposes of higher education. Finally, it changes the effective date to July 1, for preparatory purposes but January 1, 2016, for all other purposes.

Amendment adopted.

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

Senate Bill No. 467.

Bill read third time.

Remarks by Senator Kieckhefer.

Senate Bill No. 467 appropriates funding from the State Highway Fund to the Nevada Highway Patrol Division of the Department of Public Safety for the following: 1) the sum of \$7,679,026 to replace 156 fleet vehicles that have exceeded the mileage threshold; and 2) the sum of \$326,592 for the addition of a 7-unit motorcycle squad in Southern Nevada, eliminating the need for the replacement of 7 patrol vehicles. This act becomes effective upon passage and approval.

Roll call on Senate Bill No. 467:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Senate Bill No. 467 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 497.

Bill read third time.

Remarks by Senator Kieckhefer.

Senate Bill No. 497 provides General Fund appropriations to restore fund balances in various accounts authorized in chapter 353 of the *Nevada Revised Statutes*. The General Fund appropriations are: \$2 million to restore the balance of the Stale Claims Account; \$100,000 to restore the balance of the Emergency Account; \$2.5 million to restore the balance of the Reserve for Statutory Contingency Account; and \$9 million to restore the balance in the Interim Finance Committee Contingency Account. The bill is effective on July 1, 2015.

Roll call on Senate Bill No. 497:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Senate Bill No. 497 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 506.

Bill read third time.

Remarks by Senator Kieckhefer.

This bill provides for the transfer of money in various accounts and funds for unrestricted General Fund use to offset the difference between projected revenues and collections in Fiscal Year 2015. The money transferred in the bill will be used to meet existing and future obligations of the State. The transfers included in the bill total \$42,077,493. This measure is effective upon passage and approval.

Roll call on Senate Bill No. 506:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Senate Bill No. 506 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 511.

Bill read third time.

Remarks by Senator Roberson.

Senate Bill No. 511 appropriates from the State General Fund to the Teach Nevada Scholarship Program Account \$2.5 million in each year of the 2015–2016 Biennium to provide grants to universities, colleges and providers of alternative licensure programs to fund scholarships for students entering certain teacher preparation programs. It further appropriates to the Account for Programs for Innovation and the Prevention of Remediation \$5 million in each year of the 2015–2016 Biennium to provide incentive pay and professional development for newly hired teachers who are employed to teach in certain at-risk schools. This bill is effective on July 1, 2015.

We heard this bill in the Committee of the Whole earlier today. I would encourage everyone's support for this measure.

Roll call on Senate Bill No. 511:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Senate Bill No. 511 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 486.

Bill read third time.

Remarks by Senator Settlemeyer.

Assembly Bill No. 486 abolishes the Insurance Examination Account and requires fees paid by insurers for examinations be deposited into the Fund for Insurance Administration and Enforcement. This bill also reduces the initial licensing fee for certain insurers from \$1,300 to \$1,000 and revises the annual licensing 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 to impose a fee of not more than \$10 on certain licensees 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 Costs Account, the National Association of Insurance Commissioners Account and their associated fees. This bill is effective on July 1, 2015.

Roll call on Assembly Bill No. 486:

YEAS—18.

NAYS—None.

EXCUSED—Segerblom, Smith, Spearman—3.

Assembly Bill No. 486 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 6.

The following Assembly amendment was read:

Amendment No. 845.

SUMMARY—Revises provisions relating to the delivery of health care. (BDR 40-63)

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; ~~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 ~~(1)~~ 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 ~~[21]~~ 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 ~~f~~*

~~*(a) 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. ~~f~~; 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.

Senator Hardy moved that the Senate concur in Assembly Amendment No. 845 to Senate Bill No. 6.

Remarks by Senator Hardy.

This relates to healthcare. It requires certain accreditation or other official recognition before a primary care practice may represent itself as a patient center medical home.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 15.

The following Assembly amendment was read:

Amendment No. 891.

SUMMARY—Requires a mental health professional to take certain actions if a patient communicates an explicit threat certain circumstances. (BDR 54-3)

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.

~~3.~~ 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.*

~~f, f, f~~ 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, f, f, or clinical professional counselor, f, 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.*~~

Senator Hardy moved that the Senate concur in Assembly Amendment No. 891 to Senate Bill No. 15.

Remarks by Senator Hardy.

This applies to emergency admission of his or her patient to a medical health facility and makes 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 to somebody else.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 58.

The following Assembly amendment was read:

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 ~~[or 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.

~~[6. 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.

~~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: ~~for~~

(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.

Senator Brower moved that the Senate concur in Assembly Amendment No. 741 to Senate Bill No. 58.

Remarks by Senator Brower.

This amendment further clarifies the provisions in the bill that outlaws the improper dissemination of juvenile criminal records.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 67.

The following Assembly amendment was read:

Amendment No. 757.

SUMMARY—Revises provisions governing the regulation of insurance. (BDR 57-371)

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) Annual 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:~~	
<del> (1) Initial fee</del>	~~\$1,300~~
<del> (2) Annual fee</del>	~~\$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 trustee 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 ~~[:] satisfies~~ all of the following conditions:

(a) Files with the Commissioner ~~[an]~~ 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. ~~[:]~~

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

(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. ~~[:]~~

(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. ~~[:]~~

(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. ~~[-; 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 ~~[7]~~ and 681A.150 ~~[7]~~

~~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

~~—(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. ~~{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 ~~[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 ~~[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 20	.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-}~~ 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, ~~for 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 [or 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 [a 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~~

~~—(e) 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*

(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 ~~[-]~~; 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. ~~[-, whichever 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 $\frac{1}{4}$; 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 . ~~[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 ~~[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 ~~card~~ *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; and~~

(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 ~~{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 ~~[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~~ *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 ~~[4]~~, 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 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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 757 to Senate Bill No. 67.

Remarks by Senator Settlemeyer.

Amendment No. 757 to Senate Bill No. 67 strikes the phrase that allows only those administrators who do not hold a certificate of registration in this State to file the financial statements of a parent company. The amendment would allow any administrator who is a wholly-owned subsidiary to submit the statements of a parent company. It also allows the Board of Examiners for social workers to ensure applicants for a license by enrollment are qualified and collect fees for such a license.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 68.

The following Assembly amendments were read:

Amendment No. 756.

SUMMARY—Revises provisions governing professions. (BDR 54-290)

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. ~~1. In~~ *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, <i>including a license by endorsement</i>	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. ~~{4.}~~ *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) , <i>including a license by endorsement</i>	\$45	\$100
Application for license to practice practical nursing , <i>including a license by endorsement</i>	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 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 ~~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 ~~to~~ 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 ~~;~~ ; 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. ~~[Am]~~ *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 , <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 ~~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 , <i>including a certificate by endorsement</i>	\$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 , <i>including a license by endorsement</i>	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 , <i>including a license by endorsement</i>	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 , <i>including a certificate by endorsement</i>	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 ~~[(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. ~~[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 ~~[]~~, *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 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 , <i>including a license or certificate by endorsement</i>	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]~~ *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 ~~for 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 , <i>including a license by</i>	
<i>Endorsement</i>	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</i>	
<i>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</i>	
<i>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 ~~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.

Amendment No. 962.

SUMMARY—Revises provisions governing professions. (BDR 54-290)

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 and is not currently under investigation by the corresponding regulatory authority of the District of Columbia or ~~the~~ any state or territory in which the applicant currently holds or has held 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;

(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~~ any state or territory in which the applicant currently holds or has held 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;

(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. ~~[In]~~ *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, <i>including a license by endorsement</i>	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~~ any state or territory in which the applicant currently holds or has held 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;

(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~~ any state or territory in which the applicant currently holds or has held 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;

(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) , <i>including a license by endorsement</i>	\$45	\$100
Application for license to practice practical nursing , <i>including a license by endorsement</i>	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 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 and is not currently under investigation by the corresponding regulatory authority of the District of Columbia or ~~the~~ any state or territory in which the applicant currently holds or has held 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;*

(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 ~~to~~ 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~~ any state or territory in which the applicant currently holds or has held 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;*

(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:*

(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 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~~ any state or territory in which the applicant currently holds or has held 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, <i>including a license by endorsement</i>	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~~ any state or territory in which the applicant currently holds or has held 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;*

(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. ~~Am~~ *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~~ any state or territory in which the applicant currently holds or has held 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;

(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~~ any state or territory in which the applicant currently holds or has held 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;

(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. ~~Am~~ 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 , <i>including a certificate by endorsement</i>	\$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 , <i>including a license by endorsement</i>	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 , <i>including a license by endorsement</i>	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 , <i>including a certificate by endorsement</i>	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~~ any state or territory in which the applicant currently holds or has held 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;
- (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~~ any state or territory in which the applicant currently holds or has held 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;*

(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 ~~{}~~, 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~~ any state or territory in which the applicant currently holds or has held 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;*

(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 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~~ any state or territory in which the applicant currently holds or has held 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;*

(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~~ any state or territory in which the applicant currently holds or has held 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;*

(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 , <i>including a license or certificate by endorsement</i>	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~~ any state or territory in which the applicant currently holds or has held 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;*

(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~~ any state or territory in which the applicant currently holds or has held a license to engage in social work;*

(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; 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 , <i>including a license by</i>	
<i>Endorsement</i>	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~~ any state or territory in which the applicant currently holds or has held 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;

(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~~ any state or territory in which the applicant currently holds or has held 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;*

(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~~ any state or territory in which the applicant currently holds or has held 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;*

(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~~ any state or territory in which the applicant currently holds or has held 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;

(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~~ any state or territory in which the applicant currently holds or has held 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;
- (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, 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.

Senator Settelmeyer moved that the Senate concur in Assembly Amendments Nos. 756, 962 to Senate Bill No. 68.

Remarks by Senator Settelmeyer.

Amendment No. 756 to Senate Bill No. 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.

Amendment No. 962 to Senate Bill No. 68 provides that an applicant for licensure by endorsement is not eligible for licensure if he or she has been disciplined in any state or territory in which the applicant currently holds or has previously held a license to practice.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 110.

The following Assembly amendment was read:

Amendment No. 807.

SUMMARY—Revises provisions governing the disposal of abandoned recreational vehicles. (BDR 43-609)

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 occupier~~ 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 occupier~~ 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~~ *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.

Senator Hardy moved that the Senate concur in Assembly Amendment No. 807 to Senate Bill No. 110.

Remarks by Senator Hardy.

Amendment No. 807 makes two changes to Senate Bill No. 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. The amendment also 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.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 138.

The following Assembly amendment was read:

Amendment No. 788.

SUMMARY—Revises provisions governing the forfeiture of property.
(BDR 14-222)

AN ACT relating to criminal procedure; requiring the reporting of certain information relating to the forfeiture of property; revising provisions relating to the forfeiture of property; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the seizure, forfeiture and disposition of certain property and proceeds attributable to the commission of certain crimes. (NRS 179.1156-179.121) Existing law separately provides for the seizure, forfeiture and disposition of property and proceeds attributable to any technological crime which is punishable as a felony. (NRS 179.1211-179.1235) Finally, existing law provides for the seizure, forfeiture and disposition of property and proceeds attributable to racketeering crimes. (NRS 207.350-207.520) This bill requires each law enforcement agency to submit an annual report containing certain information relating to the seizure, forfeiture and disposition of property to the Office of the Attorney General.

Section 34.3 of this bill requires a plaintiff to file a complaint for forfeiture within 120 days after property has been seized if the property was seized without process. Section 34.3 also prohibits the forfeiture of property seized by a law enforcement agency unless: (1) the agency files a complaint for forfeiture in the district court for the county in which such property is located; or (2) a stipulated agreement between the parties is reached.

Section 34.6 of this bill requires that, if a criminal trial is pending, an order staying a proceeding for forfeiture remains in effect until the completion of the criminal trial. Section 34.6 also requires seized property to be returned to a claimant if the criminal charges against the claimant have been denied or dismissed. Lastly, section 34.6 provides for the forfeiture of property through

a claimant's plea or a stipulated agreement reached between the claimant and the plaintiff.

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. 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. (Deleted by amendment.)

Sec. 29. (Deleted by amendment.)

Sec. 30. Chapter 179 of NRS is hereby amended by adding thereto a new section to read as follows:

1. On an annual basis, each law enforcement agency shall report the following information about each individual seizure and forfeiture completed by the law enforcement agency under state forfeiture law:

(a) Data on seizures and forfeitures, including, without limitation, the:

(1) Date that currency, vehicles, houses or other types of property were seized;

(2) Type of property seized, including, the year, make and model, as applicable;

(3) Type of crime associated with the seizure of the property;

(4) Market value of the property seized;

- (5) *Disposition of the property following the seizure; and*
- (6) *Date of the disposition of the property.*
- (b) *Data on the use of proceeds, including, without limitation, the:*
 - (1) *Payment of all outstanding liens on the forfeited property;*
 - (2) *Payment of reasonable expenses, except personnel costs, of the seizure, storage and maintenance of custody of any forfeited property; and*
 - (3) *Distribution of proceeds pursuant to NRS 179.118, 179.1187, 179.1233 and 207.500.*
- (c) *Any other information required by the Office of the Attorney General.*
- 2. *The Office of the Attorney General shall develop standard forms, processes and deadlines for the entry of electronic data for the annual submission of the report required by subsection 1.*
- 3. *Each law enforcement agency shall file with the Office of the Attorney General the report required by subsection 1. A null report must be filed by a law enforcement agency that did not engage in a seizure or forfeiture during the reporting period. The Office of the Attorney General shall compile the submissions and issue an aggregate report of all forfeitures in this State.*
- 4. *On or before April 1 of each year, the Office of the Attorney General shall make available:*
 - (a) *On its Internet website, the reports submitted by law enforcement agencies and the aggregate report.*
 - (b) *Upon request, printed copies of the reports submitted by law enforcement agencies and the aggregate report.*
- 5. *The Office of the Attorney General shall include in the aggregate report information on any law enforcement agencies not in compliance with this section.*

Sec. 30.3. NRS 179.1156 is hereby amended to read as follows:

179.1156 Except as otherwise provided in NRS 179.1211 to 179.1235, inclusive, and 207.350 to 207.520, inclusive, the provisions of NRS 179.1156 to 179.121, inclusive, *and section 30 of this act* govern the seizure, forfeiture and disposition of all property and proceeds subject to forfeiture.

Sec. 30.7. NRS 179.1157 is hereby amended to read as follows:

179.1157 As used in NRS 179.1156 to 179.119, inclusive, *and section 30 of this act*, unless the context otherwise requires, the words and terms defined in NRS 179.1158 to 179.11635, inclusive, have the meanings ascribed to them in those sections.

Sec. 31. (Deleted by amendment.)

Sec. 32. (Deleted by amendment.)

Sec. 33. (Deleted by amendment.)

Sec. 34. (Deleted by amendment.)

Sec. 34.3. NRS 179.1171 is hereby amended to read as follows:

179.1171 1. Except as otherwise provided in NRS 179.1156 to 179.119, inclusive, *and section 30 of this act*, the Nevada Rules of Civil

Procedure are applicable to and constitute the rules of practice in a proceeding for forfeiture pursuant to those sections.

2. A proceeding for forfeiture is commenced by filing a complaint for forfeiture. If the property has been seized without process, the plaintiff shall ~~[promptly]~~ file the complaint for forfeiture ~~[]~~ *within 120 days after the property is seized.* The property is subject to an action to claim its delivery only if the plaintiff does not file the complaint for forfeiture within 60 days after the property is seized. If the complaint for forfeiture is filed following the commencement of an action claiming delivery, the complaint must be treated as a counterclaim.

3. *If a law enforcement agency seizes property, the property must not be forfeited unless:*

(a) The agency files a complaint for forfeiture in the district court for the county in which the property is located; or

(b) A stipulated agreement between the parties regarding the property is reached.

4. A proceeding for forfeiture is in rem. The complaint for forfeiture must be filed in the district court for the county in which the property which is the subject of the proceeding is located.

~~[4.]~~ 5. The plaintiff shall cause service of the summons and complaint to be made upon each claimant whose identity is known to the plaintiff or who can be identified through the exercise of reasonable diligence. If real property or any interest in real property is affected by the proceeding, the plaintiff shall file notice of the proceeding in the manner provided in NRS 14.010.

~~[5.]~~ 6. Each claimant served with the summons and complaint who desires to contest the forfeiture shall, within 20 days after the service, serve and file a verified answer to the complaint. The claimant shall admit or deny the averments of the complaint and shall, in short and plain terms, describe the interest which the claimant asserts in the property. Concurrently with the answer, the claimant shall serve answers or objections to any written interrogatories served with the summons and complaint.

~~[6.]~~ 7. No person, other than the plaintiff and any claimant, is a proper party in the proceeding.

Sec. 34.6. NRS 179.1173 is hereby amended to read as follows:

179.1173 1. ~~[The]~~ *Except as otherwise provided in subsection 2, the* district court shall proceed as soon as practicable to a trial and determination of the matter. A proceeding for forfeiture is entitled to priority over other civil actions which are not otherwise entitled to priority.

2. At a proceeding for forfeiture, the ~~[plaintiff or claimant may file a motion for]~~ *court shall issue* an order staying the proceeding ~~[and the court shall grant that motion if a]~~ *that remains in effect while the criminal action* which is the basis of the proceeding is pending trial. The court shall ~~[upon a motion made by the plaintiff]~~ lift the stay ~~[upon a satisfactory showing that the claimant is a fugitive]~~ *after the trial is completed. If the claimant is*

acquitted during the trial, the property of the claimant must be returned to the claimant within 7 business days after the acquittal.

3. If property has been seized and the criminal charges against the owner of such property are denied or dismissed, all such property must be returned to the owner within 7 business days after the property is seized.

4. The plaintiff in a proceeding for forfeiture must establish proof by clear and convincing evidence that the property is subject to forfeiture.

~~{4.}~~ 5. In a proceeding for forfeiture, the rule of law that forfeitures are not favored does not apply.

~~{5.}~~ 6. The plaintiff is not required to plead or prove that a claimant has been charged with or convicted of any criminal offense. If proof of such a conviction is made, and it is shown that the judgment of conviction has become final, the proof is, as against any claimant, conclusive evidence of all facts necessary to sustain the conviction.

~~{6.}~~ 7. The plaintiff has an absolute privilege to refuse to disclose the identity of any person, other than a witness, who has furnished to a law enforcement officer information purporting to reveal the commission of a crime. The privilege may be claimed by an appropriate representative of the plaintiff.

~~{7.}~~ 8. If the court determines that the property is not subject to forfeiture, the court shall order the property and any interest accrued pursuant to subsection 2 of NRS 179.1175 returned to the claimant found to be entitled to the property ~~{.}~~ within 7 business days after the order is issued. If the court determines that the property is subject to forfeiture, the court shall so decree. The property, including any interest accrued pursuant to subsection 2 of NRS 179.1175, must be forfeited to the plaintiff, subject to the right of any claimant who establishes a protected interest. Any such claimant must, upon the sale or retention of the property, be compensated for the claimant's interest in the manner provided in NRS 179.118.

9. A claimant who agrees to enter a plea of guilty, guilty but mentally ill or nolo contendere to criminal charges relating to the seized property or reaches a stipulated agreement with the plaintiff may agree to the forfeiture of any property as part of the plea or agreement.

10. If the court accepts a plea or stipulated agreement pursuant to subsection 9, the court shall order forfeiture of the property that the claimant agreed to forfeit pursuant to the plea or agreement.

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.)

Senator Brower moved that the Senate concur in Assembly Amendment No. 788 to Senate Bill No. 138.

Remarks by Senator Brower.

This amendment makes slight changes to further enhance the transparency aspects of this bill.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 148.

The following Assembly amendment was read:

Amendment No. 846.

SUMMARY—Revises requirements governing certain child welfare proceedings. (BDR 38-195)

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 ~~or by registered or certified mail, or 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.* ~~{; or}~~

~~(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 (e) of~~ subsection ~~[4]~~ 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.

Senator Hardy moved that the Senate concur in Assembly Amendment No. 846 to Senate Bill No. 148.

Remarks by Senator Hardy.

This amendment clarifies how to issue a summons or a notice to a person involving welfare and child welfare.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 153.

The following Assembly amendment was read:

Amendment No. 723.

SUMMARY—Revises provisions relating to occupational diseases. (BDR 53-635)

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 [7] 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 firefighting 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 firefighting 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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 723 to Senate Bill No. 153.

Remarks by Senator Settlemeyer.

Amendment No. 723 to Senate Bill No. 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. That is consistent with Supreme Court rulings.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 160.

The following Assembly amendment was read:

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.

Senator Brower moved that the Senate concur in Assembly Amendment No. 853 to Senate Bill No. 160.

Remarks by Senator Brower.

The amendment clarifies 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 action to assist another person in doing so is deemed a trespasser.

A person who delivers or retrieves the person who has jumped or intends to jump is also deemed a trespasser.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 172.

The following Assembly amendment was read:

Amendment No. 735.

SUMMARY—Makes various changes relating to the authorized activities of medical students. (BDR 40-797)

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:

~~47~~

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:

~~47~~ (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

~~47~~ (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. An~~

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.

Senator Hardy moved that the Senate concur in Assembly Amendment No. 735 to Senate Bill No. 172.

Remarks by Senator Hardy.

This amendment made it possible to potentially recruit physicians from out of the Country into rural Nevada.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 194.

The following Assembly amendment was read:

Amendment No. 759.

SUMMARY—Revises provisions relating to industrial insurance. (BDR 53-991)

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 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 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 series of projects,~~ including, without limitation, the cost of:

(1) Designing the project ~~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 series of projects;~~ and

(5) Acquiring equipment and furnishings for the project ~~[]~~ 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 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-]~~ 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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 759 to Senate Bill No. 194.

Remarks by Senator Settelmeyer.

Amendment No. 759 to Senate Bill No. 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.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 224.

The following Assembly amendment was read:

Amendment No. 865.

SUMMARY—Revises provisions relating to employment. (BDR 53-985)

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~~ 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.

Senator Settelmeyer moved that the Senate concur in Assembly Amendment No. 865 to Senate Bill No. 224.

Remarks by Senator Settelmeyer.

Amendment No. 865 to Senate Bill No. 224 modifies the factors used to determine whether a person's investment in his or her business is a substantial investment.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 233.

The following Assembly amendment was read:

Amendment No. 724.

SUMMARY—Revises provisions relating to occupational safety. (BDR 53-990)

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.

Senator Settelmeyer moved that the Senate concur in Assembly Amendment No. 724 to Senate Bill No. 233.

Remarks by Senators Settelmeyer and Ford.

SENATOR SETTELMEYER:

Amendment No. 724 to Senate Bill No. 233 provides that a completion card received by a supervisory employee for completing an OSHA-30 course does not expire or require renewal.

SENATOR FORD:

As I understand the amendment, it removes any requirement that you have to renew your OSHA card. I just wanted to be sure that I have that understanding correct.

SENATOR SETTELMEYER:

Yes, that puts us in compliance with all other states that do not require renewal of the OSHA-10 or OSHA-30 card.

SENATOR FORD:

Do other states follow the same rule where you do not have to renew your OSHA card?

SENATOR SETTELMEYER:

No other states require you to renew an OSHA-10 or and OSHA-30 card.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 239.

The following Assembly amendment was read:

Amendment No. 857.

SUMMARY—Revises provisions relating to real property. (BDR 9-970)

AN ACT relating to real property; authorizing certain persons to file a notice to terminate ~~[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 ~~_, 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 ~~[_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 ~~_, 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 ~~[_]~~, 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 ~~15~~ 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 ~~[-]~~ ; 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.

~~[-]~~ 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.

~~[-]~~ 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 non-holder 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 ~~[45-45]~~ 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 ~~[15]~~ 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 ~~[60]~~ 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.

~~{8.}~~ 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.

~~{9.}~~ 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.}~~ 13.

~~{13.}~~ 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.}~~ 13.

~~{14.}~~ 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]~~ 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.

Senator Brower moved that the Senate concur in Assembly Amendment No. 857 to Senate Bill No. 239.

Remarks by Senator Brower.

This amendment makes certain clarifying technical changes, and it appears satisfactory to the sponsor and should be to the Body.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 250.

The following Assembly amendment was read:

Amendment No. 758.

SUMMARY—Revises provisions relating to policies of health insurance. (BDR 57-687)

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 ~~for~~ 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 ~~[-]~~ , 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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 758 to Senate Bill No. 250.

Remarks by Senator Settlemeyer.

Amendment No. 758 to Senate Bill No. 250 allows an insurer to prorate any pharmacy dispensing fees for a prescription if the proration is provided for by contract or other agreement.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 262.

The following Assembly amendment was read:

Amendment No. 858.

SUMMARY—Revises provisions relating to guardians. (BDR 13-643)

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 ~~[a nominated person or relative who is]~~ a resident over ~~[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 ~~any~~ 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. ~~[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. ~~[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 ~~for~~ guardian ~~of~~ 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 ~~[-], 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.

~~3.4~~ 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 ~~or person of limited capacity~~ contained in a will or other written instrument executed by a parent ~~or spouse~~ of the ~~proposed ward.~~
- ~~—(e)—~~ 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 . [or 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.~~

~~[4.—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 159.072 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 159.2024 is hereby amended to read as follows:

159.2024 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.

Senator Brower moved that the Senate concur in Assembly Amendment No. 858 to Senate Bill No. 262.

Remarks by Senator Brower.

This amendment makes certain clarifying technical changes.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 273.

The following Assembly amendment was read:

Amendment No. 726.

SUMMARY—Revises provisions relating to health care records. (BDR 54-589)

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 629.031.1~~.

(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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 726 to Senate Bill No. 273.

Remarks by Senator Settlemeyer.

The amendment 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.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 305.

The following Assembly amendment was read:

Amendment No. 787.

SUMMARY—Authorizes industrial hemp farming in this State under certain circumstances. (BDR 49-656)

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 ~~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; ~~fund~~*

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 ~~[-]~~, *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.

Senator Gustavson moved that the Senate concur in Assembly Amendment No. 787 to Senate Bill No. 305.

Remarks by Senator Gustavson.

This amendment adds clarifying language regarding the scope of the authority of the Department of Agriculture to adopt regulations relating to certain by-products of hemp.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 327.

The following Assembly amendment was read:

Amendment No. 894.

SUMMARY—Revises certain provisions governing air ambulances. (BDR 40-1017)

AN ACT relating to air ambulances; providing for the minimum number of attendants and qualifications of those attendants for an air ambulance; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides for the issuance of a permit for the operation of an air ambulance by the Division of Public and Behavioral Health of the Department of Health and Human Services or by the district board of health of a county whose population is 700,000 or more (currently Clark County). (NRS 450B.200) Section 3 of this bill provides for the minimum number of attendants and qualifications for those attendants aboard an air ambulance.

Section 5 of this bill revises the training requirements for a licensed physician, registered nurse or licensed physician assistant to be certified as an attendant. Section 6 of this bill authorizes an emergency medical services registered nurse to perform certain procedures.

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

Section 1. Chapter 450B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

Sec. 2. *"Emergency medical services registered nurse" means a registered nurse who is issued a certificate to serve as an attendant by the State Board of Nursing pursuant to subsection 8 of NRS 450B.160.*

Sec. 3. 1. *Except as otherwise provided in subsection 2, during any period in which an air ambulance is used to provide medical transportation services for which a permit is required, the air ambulance must be staffed with, at a minimum:*

(a) One primary attendant who:

(1) Is an emergency medical services registered nurse ~~+~~

~~*(2) Has who has at least 5 years of experience as a registered nurse, which includes:*~~

~~*(I) Two years of critical care nursing experience if working on a fixed wing air ambulance; or*~~

~~*(II) Three 3 years of critical care nursing experience if working on a rotary wing air ambulance;*~~

~~*(3) ;*~~

(2) Has successfully completed an air ambulance attendant course which includes didactic and clinical components and is approved or in compliance with requirements set by the board; and

~~*(4)*~~ *(3) Has demonstrated proficiency in basic prehospital skills and advance procedures as specified by the board; and*

(b) One secondary attendant who meets the same qualifications as a primary attendant pursuant to paragraph (a) or:

(1) Is certified as a paramedic;

(2) Has at least 3 years of field experience as a paramedic;

(3) Has successfully completed an air ambulance attendant course which includes didactic and clinical components and is approved or in compliance with requirements set by the board; and

(4) Has demonstrated proficiency in basic prehospital skills and advance procedures as specified by the board.

2. *If, as determined by the pilot and medical director of the air ambulance, the weight of the secondary attendant could compromise the performance of the air ambulance, safety or patient care, an air ambulance providing medical transportation services may be staffed with only a primary attendant as described in paragraph (a) of subsection 1.*

3. *The board may adopt regulations specifying the acceptable documentation of the requirements set forth in paragraph (a) or (b) of subsection 1.*

4. *The health authority may issue a letter of endorsement and identification card to an emergency medical services registered nurse or paramedic who satisfies the requirements of paragraph (a) or (b) of subsection 1.*

Sec. 4. NRS 450B.020 is hereby amended to read as follows:

450B.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 450B.025 to 450B.110, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

Sec. 5. NRS 450B.160 is hereby amended to read as follows:

450B.160 1. The health authority may issue licenses to attendants and to firefighters employed by or serving as volunteers with a fire-fighting agency.

2. Each license must be evidenced by a card issued to the holder of the license, is valid for a period not to exceed 2 years and is renewable.

3. An applicant for a license must file with the health authority:

(a) A current, valid certificate evidencing the applicant's successful completion of a program of training as an emergency medical technician, advanced emergency medical technician or paramedic, if the applicant is applying for a license as an attendant, or, if a volunteer attendant, at a level of skill determined by the board.

(b) A current valid certificate evidencing the applicant's successful completion of a program of training as an emergency medical technician, advanced emergency medical technician or paramedic, if the applicant is applying for a license as a firefighter with a fire-fighting agency.

(c) A signed statement showing:

- (1) The name and address of the applicant;
- (2) The name and address of the employer of the applicant; and
- (3) A description of the applicant's duties.

(d) Such other certificates for training and such other items as the board may specify.

4. The board shall adopt such regulations as it determines are necessary for the issuance, suspension, revocation and renewal of licenses.

5. Each operator of an ambulance or air ambulance and each fire-fighting agency shall annually file with the health authority a complete list of the licensed persons in its service.

6. Licensed physicians, registered nurses and licensed physician assistants may serve as attendants without being licensed under the provisions of this section. A registered nurse who performs emergency care in an ambulance or air ambulance shall perform the care in accordance with the regulations of the State Board of Nursing. A licensed physician assistant who performs emergency care in an ambulance or air ambulance shall

perform the care in accordance with the regulations of the Board of Medical Examiners.

7. Each licensed physician, registered nurse and licensed physician assistant who serves as an attendant must have current certification of completion of training in:

(a) Advanced life-support procedures for patients who require cardiac care;

(b) Life-support procedures for pediatric patients who require cardiac care; ~~or~~ and

(c) Life-support procedures for patients with trauma that are administered before the arrival of those patients at a hospital.

↪ The certification must be issued by the Board of Medical Examiners for a physician or licensed physician assistant or by the State Board of Nursing for a registered nurse.

8. The Board of Medical Examiners and the State Board of Nursing shall issue a certificate pursuant to subsection 7 if the licensed physician, licensed physician assistant or registered nurse attends:

(a) A course offered by a national organization which is nationally recognized for issuing such certification;

(b) Training conducted by the operator of an ambulance or air ambulance; or

(c) Any other course or training,
↪ approved by the Board of Medical Examiners or the State Board of Nursing, whichever is issuing the certification. ~~{The Board of Medical Examiners and the State Board of Nursing may require certification of training in all three areas set forth in subsection 7 for a licensed physician, licensed physician assistant or registered nurse who primarily serves as an attendant in a county whose population is 700,000 or more.}~~

Sec. 6. NRS 450B.197 is hereby amended to read as follows:

450B.197 An attendant or a firefighter who is a paramedic *or emergency medical services registered nurse* may perform any procedure and administer any drug:

1. Approved by regulation of the board; or
2. Authorized pursuant to NRS 450B.1975, if the attendant or firefighter who is a paramedic has obtained an endorsement pursuant to that section.

Sec. 7. (Deleted by amendment.)

Sec. 8. This act becomes effective on January 1, 2016.

Senator Hardy moved that the Senate concur in Assembly Amendment No. 894 to Senate Bill No. 327.

Remarks by Senator Hardy.

This clarifies who has enough experience to be a nurse on fixed- or rotating-wing air ambulances.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 330.

The following Assembly amendment was read:

Amendment No. 750.

SUMMARY—Revises provisions relating to education. (BDR 34-724)

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 ~~+~~, 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 ~~+~~, 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.

Senator Harris moved that the Senate concur in Assembly Amendment No. 750 to Senate Bill No. 330.

Remarks by Senator Harris.

The amendment 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.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 370.

The following Assembly amendment was read:

Amendment No. 838.

SUMMARY—Revises provisions relating to barbering. (BDR 54-673)

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 ~~[i]~~ 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.

Senator Settlemeyer moved that the Senate concur in Assembly Amendment No. 838 to Senate Bill No. 370.

Remarks by Senator Settlemeyer.

Amendment No. 838 to Senate Bill No. 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.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 404.

The following Assembly amendment was read:

Amendment No. 887.

SUMMARY—Makes certain changes concerning registration of mopeds.
(BDR 43-1016)

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. 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.}~~ 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.}~~ 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}~~ 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 ~~[-]~~ *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. ~~[A-H]~~ *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~~ 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 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 pursuant thereto.

(d) A statement which informs the applicant that, if the applicant renews a certificate of registration at a kiosk or via the Internet, he or she may make a nonrefundable monetary contribution of \$2 for each vehicle registration

renewed for the Complete Streets Program, if any, created pursuant to 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 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 of 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-}~~ (a) In the amount of \$15,000 for bodily injury to or death of one person in any one accident;

~~{2-}~~ (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-}~~ (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]~~ *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:

	Percentage of Initial Value
Age	
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 ~~the~~ :

(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.

Senator Hammond moved that the Senate concur in Assembly Amendment No. 887 to Senate Bill No. 404.

Remarks by Senator Hammond.

This amendment 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 also adds Senator Hammond and Assemblymen O'Neill and Silberkraus as joint sponsors to this bill.

Motion carried by a two-thirds majority.

Bill ordered enrolled.

Senate Bill No. 442.

The following Assembly amendment was read:

Amendment No. 959.

SUMMARY—Revises provisions governing arbitration. (BDR 3-1138)

AN ACT relating to arbitration; authorizing the removal of ~~an arbitrator~~ certain arbitrators from an arbitral proceeding under certain circumstances; prohibiting ~~an arbitrator~~ certain arbitrators from consolidating separate arbitral proceedings or other claims under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Uniform Arbitration Act of 2000. (NRS 38.206-38.248) Under existing law, a person who is requested to serve as an arbitrator must disclose to all parties to the agreement to arbitrate and arbitral proceeding and to any other arbitrators any facts that a reasonable person would consider likely to affect the impartiality of the arbitrator in the proceeding. Existing law also authorizes a court, upon a timely objection by a party, to vacate an award made by an arbitrator who did not disclose such a fact. (NRS 38.227) Section 1 of this bill prohibits ~~an arbitrator~~ certain arbitrators from consolidating separate arbitral proceedings or other claims unless all parties expressly agree to such consolidation. Section 2 of this bill requires a court to remove ~~an arbitrator~~ certain arbitrators who did not disclose such a fact from the arbitral proceeding if an award has not yet been made.

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

Section 1. NRS 38.224 is hereby amended to read as follows:

38.224 1. Except as otherwise provided in subsection 3, upon motion of a party to an agreement to arbitrate or to an arbitral proceeding, the court may order consolidation of separate arbitral proceedings as to all or some of the claims if:

(a) There are separate agreements to arbitrate or separate arbitral proceedings between the same persons or one of them is a party to a separate agreement to arbitrate or a separate arbitral proceeding with a third person;

(b) The claims subject to the agreements to arbitrate arise in substantial part from the same transaction or series of related transactions;

(c) The existence of a common issue of law or fact creates the possibility of conflicting decisions in the separate arbitral proceedings; and

(d) Prejudice resulting from a failure to consolidate is not outweighed by the risk of undue delay or prejudice to the rights of or hardship to parties opposing consolidation.

2. The court may order consolidation of separate arbitral proceedings as to some claims and allow other claims to be resolved in separate arbitral proceedings.

3. The court may not order consolidation of the claims of a party to an agreement to arbitrate if the agreement prohibits consolidation.

4. ~~4.4~~ Except as otherwise provided in this subsection, an arbitrator may not consolidate separate arbitral proceedings or other claims unless all parties expressly agree to the consolidation. This subsection does not apply to an arbitral proceeding conducted or administered by a self-regulatory organization, as defined by the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(26), the Commodity Exchange Act, 7 U.S.C. §§ 1 et seq., and any regulations adopted pursuant thereto.

Sec. 2. NRS 38.227 is hereby amended to read as follows:

38.227 1. Before accepting appointment, an individual who is requested to serve as an arbitrator, after making a reasonable inquiry, shall disclose to all parties to the agreement to arbitrate and arbitral proceeding and to any other arbitrators any known facts that a reasonable person would consider likely to affect the impartiality of the arbitrator in the proceeding, including:

(a) A financial or personal interest in the outcome of the arbitral proceeding; and

(b) An existing or past relationship with any of the parties to the agreement to arbitrate or the arbitral proceeding, their counsel or representatives, a witness or another arbitrator.

2. An arbitrator has a continuing obligation to disclose to all parties to the agreement to arbitrate and arbitral proceeding and to any other arbitrators any facts that the arbitrator learns after accepting appointment which a reasonable person would consider likely to affect the impartiality of the arbitrator.

3. If an arbitrator discloses a fact required by subsection 1 or 2 to be disclosed and a party timely objects to the appointment or continued service of the arbitrator based upon the fact disclosed, the objection may be a ground under paragraph (b) of subsection 1 of NRS 38.241 for vacating an award made by the arbitrator.

4. ~~4.4~~ Except as otherwise provided in this subsection, if the arbitrator did not disclose a fact as required by subsection 1 or 2, upon timely objection by a party ~~and a determination by the court under paragraph (b) of subsection 1 of NRS 38.241~~ ~~may vacate~~ that the nondisclosed fact is one that a reasonable person would consider likely to affect the impartiality of the arbitrator in the arbitral proceeding, the court shall:

(a) Vacate an award ~~and~~ made before the objecting party discovered such fact; or

(b) If an award has not been made before discovery of such fact, remove the arbitrator from the arbitral proceeding.

↪ This subsection does not apply to an arbitral proceeding conducted or administered by a self-regulatory organization, as defined by the Securities Exchange Act of 1934, 15 U.S.C. § 78c(a)(26), the Commodity Exchange Act, 7 U.S.C. §§ 1 et seq., and any regulations adopted pursuant thereto.

5. An arbitrator appointed as a neutral arbitrator who does not disclose a known, direct and material interest in the outcome of the arbitral proceeding or a known, existing and substantial relationship with a party is presumed to act with evident partiality for the purposes of paragraph (b) of subsection 1 of NRS 38.241.

6. If the parties to an arbitral proceeding *expressly* agree to the procedures of an arbitral organization or any other procedures for challenges to arbitrators before an award is made, substantial compliance with those procedures is a condition precedent to a motion to vacate an award on that ground under paragraph (b) of subsection 1 of NRS 38.241.

Sec. 3. NRS 38.241 is hereby amended to read as follows:

38.241 1. Upon motion to the court by a party to an arbitral proceeding, the court shall vacate an award made in the arbitral proceeding if:

- (a) The award was procured by corruption, fraud or other undue means;
- (b) There was:
 - (1) Evident partiality by an arbitrator appointed as a neutral arbitrator;
 - (2) Corruption by an arbitrator; or
 - (3) Misconduct by an arbitrator prejudicing the rights of a party to the arbitral proceeding;
- (c) An arbitrator refused to postpone the hearing upon showing of sufficient cause for postponement, refused to consider evidence material to the controversy, or otherwise conducted the hearing contrary to NRS 38.231, so as to prejudice substantially the rights of a party to the arbitral proceeding;
- (d) An arbitrator exceeded his or her powers;
- (e) There was no agreement to arbitrate, unless the movant participated in the arbitral proceeding without raising the objection under subsection 3 of NRS 38.231 not later than the beginning of the arbitral hearing; or
- (f) The arbitration was conducted without proper notice of the initiation of an arbitration as required in NRS 38.223 so as to prejudice substantially the rights of a party to the arbitral proceeding.

2. A motion under this section must be made within 90 days after the movant receives notice of the award pursuant to NRS 38.236 or within 90 days after the movant receives notice of a modified or corrected award pursuant to NRS 38.237, unless the movant alleges that the award was procured by *evident partiality*, corruption, fraud or other undue means, in which case the motion must be made within 90 days after the ground is known or by the exercise of reasonable care would have been known by the movant.

3. If the court vacates an award on a ground other than that set forth in paragraph (e) of subsection 1, it may order a rehearing. If the award is vacated on a ground stated in paragraph (a) or (b) of subsection 1, the rehearing must be before a new arbitrator. If the award is vacated on a ground stated in paragraph (c), (d) or (f) of subsection 1, the rehearing may be before the arbitrator who made the award or the arbitrator's successor. The arbitrator must render the decision in the rehearing within the same time as that provided in subsection 2 of NRS 38.236 for an award.

4. If the court denies a motion to vacate an award, it shall confirm the award unless a motion to modify or correct the award is pending.

Sec. 4. This act becomes effective upon passage and approval.

Senator Brower moved that the Senate concur in Assembly Amendment No. 959 to Senate Bill No. 442.

Remarks by Senators Brower and Farley.

SENATOR BROWER:

This amendment simply clarifies that certain arbitrators, including FINRA arbitrators, are not subject to the provisions of the bill.

SENATOR FARLEY:

What does FINRA mean?

SENATOR BROWER:

FINRA stands for the Financial Industry Regulatory Authority.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 458.

The following Assembly amendments were read:

Amendment No. 866.

SUMMARY—Revises provisions governing notifications to patients regarding breast density. (BDR 40-979)

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~~ 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 , ~~as 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.:

Amendment No. 956.

SUMMARY—Revises provisions governing notifications to patients regarding breast density. (BDR 40-979)

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 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 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.] 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 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 ~~fa modestly~~ an 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.

Senator Hardy moved that the Senate concur in Assembly Amendments Nos. 866, 956 to Senate Bill No. 458.

Remarks by Senator Hardy.

This first amendment deals with, if applicable, on mammography, if it is read has dense breasts, and the second amendment takes out the word "modestly" when it was defining increased risk of cancer.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 477.

The following Assembly amendment was read:

Amendment No. 738.

SUMMARY—Revises provisions governing the installation of automatic fire sprinkler systems in certain ~~[single family residences]~~ structures. (BDR 22-1110)

AN ACT relating to ~~[buildings]~~ structures; authorizing the governing body of a county or incorporated city in this State to adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in certain larger single-family residences; providing limitations on the authority of the governing body of a county or incorporated city in this State to adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in certain other single-family residences; prohibiting the governing body of a county or incorporated city in this State from adopting a building code or taking any other action that requires the installation of an automatic fire sprinkler system in certain structures or portions thereof used primarily for agricultural, livestock or equestrian activities; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the governing body of any county or incorporated city in this State is authorized to adopt a building code that specifies the design, soundness and materials of structures. (NRS 278.580) Section 1 of this bill specifically authorizes such a governing body to adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in a new single-family residence that has an area of livable space of 5,000 square feet or more. Section 1 provides that, on or after July 1, 2015, a governing body may adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in a new single-family residence that has an area of livable space of less than 5,000 square feet only if the governing body: (1) conducts an independent cost-benefit analysis of the proposed requirement to install an automatic fire sprinkler system; and (2) makes certain findings at a public hearing. Section 1 provides that a governing body may require the installation of an automatic fire sprinkler system in such a residence without conducting the cost-benefit analysis and making the findings otherwise required by section 1 if, with regard to any particular single-family residence, the governing body determines at a public hearing that the unique characteristics or location of the residence would cause an unreasonable delay in firefighter response time. Additionally, section 1 prohibits a governing body from adopting a building code or taking any other action that requires the installation of an automatic fire sprinkler system in a structure other than a residential dwelling unit, regardless of whether the structure is located on public or private property, if the structure: (1) is covered but not completely enclosed; (2) is used primarily for agricultural, livestock or equestrian activities; (3) has spectator seating situated around the perimeter of the structure; and (4) is otherwise in compliance with all relevant building codes concerning exits and fire alarm systems.

Section 6 of this bill provides that: (1) with certain exceptions, the amendatory provisions of section 1 do not prohibit the enforcement of any building code, ordinance, regulation or rule which requires the installation of an automatic fire sprinkler system that was adopted by a governing body before January 1, 2015; (2) any building code, ordinance, regulation or rule which requires the installation of an automatic fire sprinkler system that was adopted by a governing body before January 1, 2015, but which makes such a requirement effective upon the occurrence of an event that has not occurred before January 1, 2015, is void and unenforceable; and (3) any building code, ordinance, regulation or rule which requires the installation of an automatic fire sprinkler system that was adopted by a governing body on or after January 1, 2015, but on or before [the effective date of this bill,] June 30, 2015, is void and unenforceable.

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

Section 1. Chapter 278 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A governing body may adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in a new residential dwelling unit that has an area of livable space of 5,000 square feet or more.*

2. *Except as otherwise provided in subsection 3, a governing body may, on or after July 1, 2015, adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in a new residential dwelling unit that has an area of livable space of less than 5,000 square feet only if, before adopting the building code or taking the action, the governing body:*

(a) Conducts an independent cost-benefit analysis of the adoption of a building code or the taking of any other action by the governing body that requires the installation of an automatic fire sprinkler system in a new residential dwelling unit that has an area of livable space of less than 5,000 square feet; and

(b) Makes a finding at a public hearing that, based on the independent cost-benefit analysis conducted pursuant to paragraph (a), adoption of the building code or the taking of any other action by the governing body that requires the installation of an automatic fire sprinkler system in a new residential dwelling unit that has an area of livable space of less than 5,000 square feet is to the benefit of the owners of the residential dwelling units to which the requirement would be applicable and that such benefit exceeds the costs related to the installation of automatic fire sprinkler systems in such residential dwelling units.

3. *A governing body may require the installation of an automatic fire sprinkler system in a new residential dwelling unit that has an area of livable space of less than 5,000 square feet without conducting the analysis or making the findings required by subsection 2 if the governing body makes a*

determination at a public hearing that the unique characteristics or the location of the residential dwelling unit, when compared to residential dwelling units of comparable size or location within the jurisdiction of the governing body, would cause an unreasonable delay in firefighter response time. In making such a determination, the governing body may consider:

- (a) The availability of water for use by firefighters in the area in which the residential dwelling unit is located;
- (b) The availability to firefighters of access to the residential dwelling unit;
- (c) The topography of the area in which the residential dwelling unit is located; and
- (d) The availability of firefighting resources in the area in which the residential dwelling unit is located.

4. A governing body shall not adopt a building code or take any other action that requires the installation of an automatic fire sprinkler system in a structure other than a residential dwelling unit or any portion of such a structure, whether located on public or private property:

- (a) That is covered but not completely enclosed;
- (b) That is used primarily for agricultural, livestock or equestrian activities;
- (c) That has spectator seating situated around the perimeter of the structure or portion thereof; and
- (d) Which is otherwise in compliance with all relevant building codes concerning exits and fire alarm systems.

5. The provisions of this section do not prohibit:

- (a) A local government from enforcing an agreement for the development of land which requires the installation of an automatic fire sprinkler system in any residential dwelling unit; or
- (b) A person from installing an automatic fire sprinkler system in a structure described in subsection 4 or any residential dwelling unit.

~~5.1~~ 6. As used in this section:

(a) "Automatic fire sprinkler system" has the meaning ascribed to it in NRS 202.580.

(b) "Residential dwelling unit" does not include a condominium unit, an apartment unit or a townhouse unit that shares a common wall with more than one other such unit.

Sec. 2. NRS 278.010 is hereby amended to read as follows:

278.010 As used in NRS 278.010 to 278.630, inclusive, and section 1 of this act, unless the context otherwise requires, the words and terms defined in NRS 278.0103 to 278.0195, inclusive, have the meanings ascribed to them in those sections.

Sec. 3. NRS 278.580 is hereby amended to read as follows:

278.580 1. Subject to the limitation set forth in NRS 244.368, and section 1 of this act, the governing body of any city or county may adopt a building code, specifying the design, soundness and materials of structures,

and may adopt rules, ordinances and regulations for the enforcement of the building code.

2. The governing body may also fix a reasonable schedule of fees for the issuance of building permits. A schedule of fees so fixed does not apply to the State of Nevada or the Nevada System of Higher Education, except that such entities may enter into a contract with the governing body to pay such fees for the issuance of building permits, the review of plans and the inspection of construction. Except as it may agree to in such a contract, a governing body is not required to provide for the review of plans or the inspection of construction with respect to a structure of the State of Nevada or the Nevada System of Higher Education.

3. Notwithstanding any other provision of law, the State and its political subdivisions shall comply with all zoning regulations adopted pursuant to this chapter, except for the expansion of any activity existing on April 23, 1971.

4. A governing body shall amend its building codes and, if necessary, its zoning ordinances and regulations to permit the use of:

(a) Straw or other materials and technologies which conserve scarce natural resources or resources that are renewable in the construction of a structure; and

(b) Systems which use solar or wind energy to reduce the costs of energy for a structure if such systems and structures are otherwise in compliance with applicable building codes and zoning ordinances, including those relating to the design, location and soundness of such systems and structures, to the extent the local climate allows for the use of such materials, technologies, resources and systems.

5. The amendments required by subsection 4 may address, without limitation:

(a) The inclusion of characteristics of land and structures that are most appropriate for the construction and use of systems using solar and wind energy.

(b) The recognition of any impediments to the development of systems using solar and wind energy.

(c) The preparation of design standards for the construction, conversion or rehabilitation of new and existing systems using solar and wind energy.

6. A governing body shall amend its building codes to include:

(a) The seismic provisions of the International Building Code published by the International Code Council; and

(b) Standards for the investigation of hazards relating to seismic activity, including, without limitation, potential surface ruptures and liquefaction.

Sec. 4. NRS 244.3675 is hereby amended to read as follows:

244.3675 Subject to the limitations set forth in NRS 244.368, 278.02315, 278.580, 278.582, 444.340 to 444.430, inclusive, and 477.030, and *section 1 of this act*, the boards of county commissioners within their respective counties may:

1. Regulate all matters relating to the construction, maintenance and safety of buildings, structures and property within the county.

2. Adopt any building, electrical, housing, plumbing or safety code necessary to carry out the provisions of this section and establish such fees as may be necessary. Except as otherwise provided in NRS 278.580, these fees do not apply to the State of Nevada or the Nevada System of Higher Education.

Sec. 5. NRS 268.413 is hereby amended to read as follows:

268.413 Subject to the limitations contained in NRS 244.368, 278.02315, 278.580, 278.582, 444.340 to 444.430, inclusive, and 477.030, *and section 1 of this act*, the city council or other governing body of an incorporated city may:

1. Regulate all matters relating to the construction, maintenance and safety of buildings, structures and property within the city.

2. Adopt any building, electrical, plumbing or safety code necessary to carry out the provisions of this section and establish such fees as may be necessary. Except as otherwise provided in NRS 278.580, those fees do not apply to the State of Nevada or the Nevada System of Higher Education.

Sec. 6. 1. Except as otherwise provided in subsection 2, the amendatory provisions of section 1 of this act do not prohibit the enforcement by the governing body of a county or incorporated city in this State of any building code, ordinance, regulation or rule adopted by the governing body before January 1, 2015, which requires the installation of an automatic fire sprinkler system specified in section 1 of this act.

2. Any building code, ordinance, regulation or rule adopted by the governing body of a county or incorporated city in this State before January 1, 2015, which requires the installation of an automatic fire sprinkler system specified in section 1 of this act and is effective upon the occurrence of any event, including, without limitation, the issuance of a certain number of building permits by the governing body, is hereby declared void and may not be enforced by the governing body if the event upon which the requirement for the installation of an automatic fire sprinkler system is effective did not occur before January 1, 2015.

3. Any building code, ordinance, regulation or rule adopted by the governing body of a county or incorporated city in this State on or after January 1, 2015, but on or before ~~the effective date of this act,~~ June 30, 2015, which requires the installation of an automatic fire sprinkler system specified in section 1 of this act is hereby declared void and may not be enforced by the governing body.

Sec. 7. This act becomes effective upon passage and approval.

Senator Goicoechea moved that the Senate concur in Assembly Amendment No. 738 to Senate Bill No. 477.

Remarks by Senator Goicoechea.

The amendment prohibits the governing body of any county or incorporated city from adopting a building code or taking any other action that requires the installation of an automatic

fire sprinkler system in structures used primarily for agricultural, livestock or equestrian activities. Such buildings must be in compliance with all relevant building codes concerning exits and fire alarm systems.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 168.

The following Assembly amendment was read:

Amendment No. 941.

SUMMARY—Revises provisions relating to collective bargaining by local government employers. (BDR 23-602)

AN ACT relating to local governments; revising provisions relating to the reopening of a collective bargaining agreement during a period of fiscal emergency; excluding certain money from collective bargaining negotiations and from consideration in determining the ability of local governments ~~for other than school districts,~~ to pay compensation and monetary benefits; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes certain mandatory subjects of bargaining in the negotiation of a collective bargaining agreement between a local government employer and a recognized employee organization. Among these mandatory subjects is a requirement that the parties bargain over procedures and requirements for the reopening and renegotiation of the agreement during periods of fiscal emergency. Currently, the existence of such an emergency is determined on the basis of revenue shortfalls or other criteria agreed to by the parties. (NRS 288.150) Section ~~14~~ 1.5 of this bill 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. The procedural requirements relating to the reopening of the agreement generally remain a mandatory subject of bargaining. Before a local government may reopen an agreement, section 1 of this bill requires that the local government notify each affected employee organization and the Committee on Local Government Finance, and the Committee must concur that such an emergency exists.

Existing law provides for the resolution of an impasse in collective bargaining through fact-finding, arbitration or both, but imposes limitations on the money that a fact finder or arbitrator may consider in determining the financial ability of a local government employer to pay compensation or monetary benefits. (NRS 288.200, 288.215, 288.217, 354.6241) Section 2 of this bill provides ~~for certain governmental funds of a local government other than a school district,~~ that ~~a budgeted~~ an amount equal to an ending fund balance of not more than ~~25~~ 16.6 percent of the ~~total budgeted expenditures, less capital outlay,~~ general fund and all the other funds and accounts of a local government, combined, is not subject to negotiation and

cannot be considered by a fact finder or arbitrator in determining ability to pay.

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

Section 1. Chapter 288 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a local government employer determines that a fiscal emergency exists as defined by paragraph (a) of subsection 4 of NRS 288.150, it shall give written notice of its determination to the recognized employee organization, if any, for each bargaining unit among its employees and to the Committee on Local Government Finance. The notice must be accompanied by a copy of any audit report or other document on which the local government employer has relied in making its determination.

2. The Committee on Local Government Finance shall promptly conduct a public hearing on the matter and determine whether a fiscal emergency exists as described in subsection 1. Not later than 10 days after the close of the hearing, the Committee shall give written notice of its determination to the local government employer and each recognized employee organization, if any. If the Committee determines that a fiscal emergency exists, the local government employer may proceed as provided in subsection 4 of NRS 288.150.

~~[Section 1.]~~ *Sec. 1.5.* NRS 288.150 is hereby amended to read as follows:

288.150 1. Except as *otherwise* provided in subsection 4 ~~[.]~~ and NRS 354.6241, 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 unpaid 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 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]~~ *consistent with the provisions of subsection 4* 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]~~ :

(a) Reopen a collective bargaining agreement for additional, further, new or supplementary negotiations relating to compensation or monetary benefits during a period of fiscal emergency. Negotiations must begin not later than 21 days after the local government employer ~~[notifies the]~~ and employee organization receive notice pursuant to section 1 of this act of the

determination of the Committee on Local Government Finance that a fiscal emergency exists. For the purposes of this section ~~f-1~~ and section 1 of this act, a fiscal emergency shall be deemed to exist:

(1) *If the amount of revenue received by the general fund of the local government employer during the last preceding fiscal year from all sources, except any nonrecurring source, declined by 5 percent or more from the amount of revenue received by the general fund from all sources, except any nonrecurring source, during the next preceding fiscal year, as reflected in the reports of the annual audits conducted for those fiscal years for the local government employer pursuant to NRS 354.624; or*

(2) *If the local government employer has budgeted an unreserved ending fund balance in its general fund for the current fiscal year in an amount equal to 4 percent or less of the actual expenditures from the general fund for the last preceding fiscal year, and the local government employer has provided a written explanation of the budgeted ending fund balance to the Department of Taxation that includes the reason for the ending fund balance and the manner in which the local government employer plans to increase the ending fund balance.*

(b) 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. 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. Contract provisions presently existing in signed and ratified agreements as of May 15, 1975, at 12 p.m. remain negotiable.

Sec. 2. NRS 354.6241 is hereby amended to read as follows:

354.6241 1. The statement required by paragraph (a) of subsection 5 of NRS 354.624 must indicate for each fund set forth in that paragraph:

(a) Whether the fund is being used in accordance with the provisions of this chapter.

(b) Whether the fund is being administered in accordance with generally accepted accounting procedures.

(c) Whether the reserve in the fund is limited to an amount that is reasonable and necessary to carry out the purposes of the fund.

(d) The sources of revenues available for the fund during the fiscal year, including transfers from any other funds.

(e) The statutory and regulatory requirements applicable to the fund.

(f) The balance and retained earnings of the fund.

2. Except as otherwise provided in *subsection 3 and* NRS 354.59891 and 354.613, to the extent that the reserve in any fund set forth in paragraph (a) of subsection 5 of NRS 354.624 exceeds the amount that is reasonable and necessary to carry out the purposes for which the fund was created, the reserve may be expended by the local government pursuant to the provisions of chapter 288 of NRS.

3. ~~For any local government other than a school district, for the purposes of chapter 288 of NRS, a budgeted amount equal to an ending fund balance of not more than 25 percent of the total budgeted expenditures, less capital outlay, for a general fund and all the other funds and accounts of the local government, combined:~~

(a) *Is not subject to negotiations with an employee organization; and*

(b) *Must not be considered by a fact finder or arbitrator in determining the financial ability of the local government to pay compensation or monetary benefits.*

Sec. 3. The amendatory provisions of this act do not apply during the current term of any collective bargaining agreement entered into before the effective date of this act, but do apply to any extension or renewal of such an agreement and to any such agreement entered into on or after the effective date of this act.

Sec. 4. This act becomes effective upon passage and approval.

Senator Goicoechea moved that the Senate do not concur in Assembly Amendment No. 941 to Senate Bill No. 168.

Remarks by Senator Goicoechea.

We still have some work to do on the bill.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 193.

The following Assembly amendment was read:

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 ~~9,~~ 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 ~~the~~

~~—(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. ~~the~~ 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 ~~the~~

~~—(a) Forty~~ 40 hours in any scheduled week of work. ~~the~~ 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.

Senator Settelmeyer moved that the Senate do not concur in Assembly Amendment No. 839 to Senate Bill No. 193.

Remarks by Senator Settelmeyer.

Amendment No. 839 to Senate Bill No. 193 removes the requirement that the Labor Commissioner establish the \$9 per hour minimum wage proposed in section 1.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 261.

The following Assembly amendment was read:

Amendment No. 683.

SUMMARY—Makes various changes relating to certain research facilities. (BDR 50-56)

AN ACT relating to animals; ~~authorizing~~ requiring certain research facilities to offer certain dogs and cats to an animal shelter or rescue organization for adoption before euthanizing or destroying such a dog or cat; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill ~~authorizes~~ requires certain research facilities to offer dogs and cats that are appropriate for adoption to an animal shelter or rescue organization before euthanizing or destroying such a dog or cat. This bill also provides that such a research facility and its officers, directors, employees and agents are immune from civil liability for any act or omission relating to such an adoption.

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

Section 1. Chapter 574 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A research facility that intends to euthanize a dog or cat for any purpose other than scientific, medical or educational research ~~may~~ shall, before euthanizing the dog or cat, offer the dog or cat for adoption if the dog or cat is appropriate for adoption. A research facility may offer the dog or cat for adoption through a program of the research facility or enter into a collaborative agreement with an animal shelter that performs the work of an animal rescue organization or an animal rescue organization for the purpose of carrying out the provisions of this subsection. Any such animal shelter or animal rescue organization must be domiciled in Nevada and exempt from taxation pursuant to 26 U.S.C. § 501(c)(3).*

2. *A research facility and any officer, director, employee or agent of the research facility is immune from civil liability for any act or omission relating to the adoption of a dog or cat pursuant to subsection 1.*

3. *As used in this section, "animal rescue organization" means a nonprofit organization established for the purpose of rescuing animals in need and finding permanent, adoptive homes for such animals.*

Sec. 2. NRS 574.050 is hereby amended to read as follows:

574.050 As used in NRS 574.050 to 574.200, inclusive ~~{1-}~~, and *section 1 of this act*:

1. "Animal" does not include the human race, but includes every other living creature.

2. "First responder" means a person who has successfully completed the national standard course for first responders.

3. "Police animal" means an animal which is owned or used by a state or local governmental agency and which is used by a peace officer in performing his or her duties as a peace officer.

4. *"Research facility" means an organization that is engaged in:*

(a) *Animal research for the purpose of testing the performance, safety or quality of a product; or*

(b) *Scientific research for scientific, medical or educational purposes.*

5. "Torture" or "cruelty" includes every act, omission or neglect, whereby unjustifiable physical pain, suffering or death is caused or permitted.

Sec. 3. NRS 574.200 is hereby amended to read as follows:

574.200 1. The provisions of NRS 574.050 to 574.510, inclusive, and *section 1 of this act* do not:

~~{1-}~~ (a) Interfere with any of the fish and game laws contained in title 45 of NRS or any laws for the destruction of certain birds.

~~{2-}~~ (b) Interfere with the right to destroy any venomous reptiles or animals, or any animal known as dangerous to life, limb or property.

~~{3-}~~ (c) Interfere with the right to kill all animals and fowl used for food.

~~{4-}~~ (d) Prohibit or interfere with any properly conducted scientific experiments or investigations which are performed under the authority of the faculty of some regularly incorporated medical college or university of this State.

~~{5-}~~ (e) Interfere with any scientific or physiological experiments conducted or prosecuted for the advancement of science or medicine.

~~{6-}~~ (f) Prohibit or interfere with established methods of animal husbandry, including the raising, handling, feeding, housing and transporting of livestock or farm animals.

2. *Nothing contained in subsection 1 shall be deemed to exclude a research facility from the provisions of section 1 of this act.*

Senator Gustavson moved that the Senate do not concur in Assembly Amendment No. 683 to Senate Bill No. 261.

Remarks by Senator Gustavson.

Amendment No. 683 to Senate Bill No. 261 changes "may" to "shall." Therefore, it is overly burdensome in that it requires what was simply authorized for the bill as passed by the Senate. I would also like to note that the bill was passed unanimously from the Senate Committee on Natural Resources with the "may" language and supported by the bill's sponsor.

Motion failed.

Senator Manendo moved that the Senate concur in Assembly Amendment No. 683 to Senate Bill No. 261.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 340.

The following Assembly amendment was read:

Amendment No. 824.

SUMMARY—Revises provisions governing public works. (BDR 28-255)

AN ACT relating to public works; disqualifying a contractor from being awarded a contract for a public work under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Labor Commissioner to impose an administrative penalty against a person who violates certain provisions related to contracts for public works in this State. (NRS 338.015) A person against whom such an administrative penalty is imposed may not be awarded a contract for a public work for a period of 3 years, and upon a second or subsequent offense, for a period of 5 years. (NRS 338.017) In addition to the prohibition on being awarded a contract for public works, such a person is also subject to the suspension of his or her contractor's license by the State Contractors' Board for the length of the prohibition. (NRS 624.300)

Under federal law, a contractor may be excluded for a period of time from receiving contracts from the Federal Government if the contractor is debarred. (48 C.F.R. §§ 9.400 et seq.)

This bill provides that, if a contractor is excluded for a period of time from receiving contracts from the Federal Government as a result of being debarred, the contractor may not be awarded a contract for a public work in this State for the longer of: (1) 4 years after the date on which the Labor Commissioner becomes aware of the exclusion; or (2) the length of the term of debarment.

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Section 1. NRS 338.017 is hereby amended to read as follows:

338.017 1. If any administrative penalty is imposed *pursuant to this chapter* against a person for the commission of an offense ~~[-~~

~~—1. That]~~, that person, and the corporate officers, if any, of that person, may not be awarded a contract for a public work:

(a) For the first offense, for a period of 3 years after the date of the imposition of the administrative penalty; and

(b) For the second or subsequent offense, for a period of 5 years after the date of the imposition of the administrative penalty.

2. *A person, and the corporate officers, if any, of that person, who is identified in the System for Award Management Exclusions operated by the General Services Administration as being excluded from receiving contracts from the Federal Government pursuant to 48 C.F.R. §§ 9.400 et seq. as a result of being debarred may not be awarded a contract for a public work:*

(a) For a period of 4 years after the date on which the Labor Commissioner is made aware of the exclusion from receiving contracts from the Federal Government; or

(b) For the period of debarment of the contractor from receiving contracts from the Federal Government,

➔ whichever is longer.

3. The Labor Commissioner, upon learning that a contractor has been excluded from receiving contracts from the Federal Government pursuant to 48 C.F.R. §§ 9.400 et seq. as a result of being debarred, shall disqualify the contractor from being awarded a contract for a public work as provided in subsection 2.

4. The Labor Commissioner shall notify the State Contractors' Board of each contractor who is prohibited or disqualified from being awarded a contract for a public work pursuant to this section.

Sec. 2. ~~[This act becomes effective on July 1, 2015.] (Deleted by amendment.)~~

Senator Goicoechea moved that the Senate do not concur in Assembly Amendment No. 824 to Senate Bill No. 340.

Remarks by Senator Goicoechea.

We still have to work on this bill.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 348.

The following Assembly amendment was read:

Amendment No. 791.

SUMMARY—Revises provisions governing unclaimed property. (BDR 10-770)

AN ACT relating to unclaimed property; exempting certain property due or owing from a business association to another business association from provisions governing the disposition of unclaimed property under certain circumstances; exempting ~~[public infrastructure]~~ certain intersection improvement proceeds from provisions governing the disposition of unclaimed property; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the powers, duties and liabilities of the State and other persons concerning certain property which is abandoned and unclaimed by its owner. (Chapter 120A of NRS) Under existing law, property that is unclaimed by the apparent owner of the property for a certain period is presumed to be abandoned. (NRS 120A.500, 120A.510, 120A.520) A holder of property that is presumed to be abandoned must make a report concerning the property to the State Treasurer, acting as the Administrator of Unclaimed Property, and pay or deliver the property to the Administrator. (NRS 120A.560, 120A.570) The Administrator must deposit any money received as abandoned property and the proceeds of any sale of abandoned

property in the Abandoned Property Trust Account. (NRS 120A.620) A person who claims property paid or delivered to the Administrator may file a claim for the property, and, if the Administrator approves the claim, the Administrator must deliver the property to the claimant or, if the property is money or the net proceeds of a sale of abandoned property, pay the claim from the Account. (NRS 120A.620, 120A.640) At the end of each fiscal year, the first \$7.6 million of the balance remaining in the Account is transferred to the Millennium Scholarship Trust Fund, and the remaining balance is transferred to the State General Fund, subject to any valid claims. (NRS 120A.620)

Section 1 of this bill provides that certain amounts due or owing from a holder that is a business association to another business association must not be presumed abandoned if the holder and the other business association have an ongoing business relationship. Because these amounts must not be presumed abandoned, the provisions of existing law governing unclaimed property would not apply to those amounts. Under section 2 of this bill, the provisions of section 1 apply to the amounts due or owing from a business association to another business association that, on or after July 1, 2015, are in the possession, custody or control of a business association.

Section 1.5 of this bill provides that certain amounts paid to this State or a local government as a deposit or fee to provide security for, or to fund the construction of, ~~[public infrastructure]~~ certain intersection improvement projects are exempt from the provisions of existing law governing unclaimed property. Under section 2, this exemption applies only to such deposits or fees that, on or after July 1, 2015, are in the possession, control or custody of this State or a local government.

Section 1. Chapter 120A of NRS is hereby amended by adding thereto a

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new section to read as follows:

1. Except as otherwise provided in this subsection, any credit memoranda, overpayments, credit balances, deposits, unidentified remittances, nonrefunded overcharges, discounts, refunds and rebates due or owing from a holder that is a business association to another business association shall not be presumed abandoned if the holder and such business association have an ongoing business relationship. The provisions of this subsection do not apply to outstanding checks, drafts or other similar instruments.

2. For the purposes of subsection 1, an ongoing business relationship shall be deemed to exist if the holder has engaged in at least one commercial, business or professional transaction involving the sale, lease, license or purchase of goods or services with the business association or a predecessor-in-interest of the business association within each 3-year period that follows the date of the transaction giving rise to the property interest that shall not be presumed abandoned pursuant to subsection 1.

Sec. 1.5. NRS 120A.135 is hereby amended to read as follows:

120A.135 1. The provisions of this chapter do not apply to ~~[gaming]~~ :

(a) Gaming chips or tokens which are not redeemed at an establishment.

(b) ~~["Public infrastructure"]~~ Intersection improvement project proceeds.

2. As used in this section:

(a) "Establishment" has the meaning ascribed to it in NRS 463.0148.

(b) "Gaming chip or token" means any object which may be redeemed at an establishment for cash or any other representative of value other than a slot machine wagering voucher as defined in NRS 463.369.

(c) ~~["Public infrastructure"]~~ "Intersection improvement project" means
~~facilities and the structure or network used for the delivery of goods,~~
~~services and public safety;~~ construction or improvements relating to
intersections, including, without limitation, ~~communications facilities,~~
~~facilities for the transmission of electricity and natural gas, water systems,~~
~~sanitary sewer systems, storm sewer systems, streets and roads;~~ the
construction, installation or upgrade of traffic control ~~systems, sidewalks,~~
~~parks and trails, recreational facilities, fire, police and flood protection and~~
~~all related~~ devices, turn lanes and appurtenances.

(d) ~~["Public infrastructure"]~~ "Intersection improvement project proceeds"
means amounts held by this State or an agency or political subdivision of this
State that were paid to the State or the agency or political subdivision for the
purpose of providing security for, or to fund the construction of, ~~public~~
~~infrastructure;~~ an intersection improvement project.

Sec. 2. 1. The amendatory provisions of section 1 of this act apply to all amounts due or owing from a business association to another business association that, on or after July 1, 2015, are in the possession, custody or control of a business association.

2. The amendatory provisions of section 1.5 of this act apply only to ~~public infrastructure~~ intersection improvement project proceeds that, on or after July 1, 2015, are in the possession, custody or control of this State or an agency or political subdivision of this State.

3. As used in this section:

(a) "Business association" has the meaning ascribed to it in NRS 120A.040.

(b) ~~["Public infrastructure"]~~ "Intersection improvement project proceeds" has the meaning ascribed to it in NRS 120A.135, as amended by section 1.5 of this act.

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

Senator Brower moved that the Senate do not concur in Assembly Amendment No. 791 to Senate Bill No. 348.

Remarks by Senator Brower.

I think we have discovered a small glitch in the bill as is, and we wish to fix that glitch in conference.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 444.

The following Assembly amendment was read:

Amendment No. 861.

SUMMARY—Revises provisions governing civil actions. (BDR 3-1137)

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.

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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 proceeding; 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 meritless pursuant to section 8 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 ~~arising from~~ 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.]~~

Senator Brower moved that the Senate do not concur in Assembly Amendment No. 861 to Senate Bill No. 444.

Remarks by Senator Brower.

A not so small glitch has been discovered in this amendment, and I think it is worthy of further consideration by this Body.

Motion carried.

Bill ordered transmitted to the Assembly.

Senate Bill No. 482.

The following Assembly amendment was read:

Amendment No. 930.

SUMMARY—Makes various changes relating to elected county officers. (BDR 20-1117)

AN ACT relating to public officers; increasing the compensation of elected county officers ~~and~~ 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 ~~if~~, 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 ~~if~~, 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 ~~if~~ 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	100,640	100,610	100,610	100,610
	FY 2016-2017	170,540	137,231	103,629	103,629	103,629	103,629	103,629

	<i>FY 2017-2018</i>	<i>175,656</i>	<i>141,348</i>	<i>106,738</i>	<i>106,738</i>	<i>106,738</i>	<i>106,738</i>	<i>106,738</i>
	<i>FY 2018-2019</i>	<i>180,926</i>	<i>145,588</i>	<i>109,940</i>	<i>109,940</i>	<i>109,940</i>	<i>109,940</i>	<i>109,940</i>
3	Carson City							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Churchill							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Douglas							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Elko							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Humboldt							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Lyon							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----
	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
	Nye							
[	<i>FY 2007-2008</i>	<i>105,616</i>	<i>87,575</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	<i>69,563</i>	-----
—	<i>FY 2008-2009</i>	<i>108,785</i>	<i>90,202</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	<i>71,650</i>	-----
—	<i>FY 2009-2010</i>	<i>112,049</i>	<i>92,909</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	<i>73,799</i>	-----
—	<i>FY 2010-2011</i>	<i>115,410</i>	<i>95,696</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	<i>76,013</i>	-----]
	<i>FY 2015-2016</i>	<i>118,872</i>	<i>98,567</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	<i>78,293</i>	-----
	<i>FY 2016-2017</i>	<i>122,438</i>	<i>101,524</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	<i>80,642</i>	-----
	<i>FY 2017-2018</i>	<i>126,112</i>	<i>104,570</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	<i>83,061</i>	-----

	<i>FY 2018-2019</i>	<i>129,895</i>	<i>107,707</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	<i>85,553</i>	-----
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~~	~~61,566~~	~~61,566~~	~~61,566~~	~~61,566~~	~~-----~~
	~~FY 2010-2011~~	~~108,998~~	~~86,127~~	~~63,403~~	~~63,403~~	~~63,403~~	~~63,403~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>112,268</i>	<i>88,711</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	-----
	<i>FY 2016-2017</i>	<i>115,636</i>	<i>91,372</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	-----
	<i>FY 2017-2018</i>	<i>119,105</i>	<i>94,113</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	-----
	<i>FY 2018-2019</i>	<i>122,678</i>	<i>96,937</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	-----
	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~~	~~61,566~~	~~61,566~~	~~61,566~~	~~61,566~~	~~-----~~
	~~FY 2010-2011~~	~~108,998~~	~~86,127~~	~~63,403~~	~~63,403~~	~~63,403~~	~~63,403~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>112,268</i>	<i>88,711</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	-----
	<i>FY 2016-2017</i>	<i>115,636</i>	<i>91,372</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	-----
	<i>FY 2017-2018</i>	<i>119,105</i>	<i>94,113</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	-----
	<i>FY 2018-2019</i>	<i>122,678</i>	<i>96,937</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	-----
	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~~	~~61,566~~	~~61,566~~	~~61,566~~	~~61,566~~	~~-----~~
	~~FY 2010-2011~~	~~108,998~~	~~86,127~~	~~63,403~~	~~63,403~~	~~63,403~~	~~63,403~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>112,268</i>	<i>88,711</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	<i>65,305</i>	-----
	<i>FY 2016-2017</i>	<i>115,636</i>	<i>91,372</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	<i>67,264</i>	-----
	<i>FY 2017-2018</i>	<i>119,105</i>	<i>94,113</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	<i>69,282</i>	-----
	<i>FY 2018-2019</i>	<i>122,678</i>	<i>96,937</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	<i>71,361</i>	-----
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~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>99,060</i>	<i>70,968</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	-----
	<i>FY 2016-2017</i>	<i>102,033</i>	<i>73,097</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	-----
	<i>FY 2017-2018</i>	<i>105,093</i>	<i>75,290</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	-----
	<i>FY 2018-2019</i>	<i>108,246</i>	<i>77,549</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	-----
	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~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>99,060</i>	<i>70,968</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	-----
	<i>FY 2016-2017</i>	<i>102,033</i>	<i>73,097</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	-----
	<i>FY 2017-2018</i>	<i>105,093</i>	<i>75,290</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	-----
	<i>FY 2018-2019</i>	<i>108,246</i>	<i>77,549</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	-----
	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~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>99,060</i>	<i>70,968</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	-----
	<i>FY 2016-2017</i>	<i>102,033</i>	<i>73,097</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	-----
	<i>FY 2017-2018</i>	<i>105,093</i>	<i>75,290</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	-----
	<i>FY 2018-2019</i>	<i>108,246</i>	<i>77,549</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	-----
	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~~	~~-----~~]
	<i>FY 2015-2016</i>	<i>99,060</i>	<i>70,968</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	<i>58,537</i>	-----
	<i>FY 2016-2017</i>	<i>102,033</i>	<i>73,097</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	<i>60,293</i>	-----
	<i>FY 2017-2018</i>	<i>105,093</i>	<i>75,290</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	<i>62,102</i>	-----
	<i>FY 2018-2019</i>	<i>108,246</i>	<i>77,549</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	<i>63,965</i>	-----

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~~ 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 ~~and~~ 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 254.599 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.

Senator Goicoechea moved that the Senate do not concur in Assembly Amendment No. 930 to Senate Bill No. 482.

Remarks by Senator Goicoechea.

This amendment created a real problem. We need to work on it some more.

Motion carried.

Bill ordered transmitted to the Assembly.

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

Motion carried.

Senate in recess at 3:38 p.m.

SENATE IN SESSION

At 3:48 p.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was re-referred Senate Bill No. 321, has had the same under consideration, and begs leave to report the same back with the recommendation: Without recommendation.

BEN KIECKHEFER, *Chair*

GENERAL FILE AND THIRD READING

Senate Bill No. 163.

Bill read third time.

Remarks by Senator Kieckhefer.

Senate Bill No. 163 creates the Advisory Council on Nevada Wildlife Conservation and Education within the Department of Wildlife and prescribes the composition of the seven members of the Council. The bill requires the Council, in cooperation with the Director of the Department of Wildlife, to develop and implement a public information program for the purpose of promoting and educating the general public on the history and benefits of wildlife and wildlife preservation in Nevada, and the importance of hunting, fishing, trapping and the taking of game.

Senate Bill No. 163 also authorizes the Department to fund the activities of the Council from money in the Wildlife Heritage Trust Account, which includes an amount not to exceed 25 percent of the money deposited in the Account during each previous year, in addition to an annual amount not to exceed \$250,000 during the first four years.

Senate Bill No. 163 becomes effective on July 1, 2015, with the section removing annual funding of \$250,000 becoming effective on July 1, 2019.

Roll call on Senate Bill No. 163:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 163 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 269.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 269 establishes an interim study concerning the unmet needs relating to the behavioral and cognitive care of older persons. The interim study, consisting of six legislators, is required to research potential sources of State funding available to support evidence-based

statewide community programs to aid caregivers and to assist Nevada's Care Connection and Nevada 2-1-1 in the creation of the "No Wrong Door" program designed to assist caregivers. In addition, the interim study is tasked with evaluating the possibility of establishing a higher rate of reimbursement by Medicaid for nursing facilities that support older adults with behavioral and cognitive health needs. Finally, the interim study must analyze the provision of education and training for health care professionals in the screening, diagnosis and treatment of behavioral and cognitive diseases prevalent in older persons.

Roll call on Senate Bill No. 269:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 269 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 302.

Bill read third time.

Remarks by Senators Kieckhefer, Woodhouse, Denis, Ford, Spearman, Hardy, Brower and Atkinson.

SENATOR KIECKHEFER:

Senate Bill No. 302 authorizes the parent of a student to enter into an agreement with the State Treasurer, under which the student will receive a grant equal to 90 percent of the statewide average basic support per pupil, 100 percent for students with disabilities or those with a family income less than 185 percent of the federal poverty level to be used to pay the cost of enrollment in a private school or to provide other educational services. Students that have attended public school consecutively for 100 days are eligible to receive a grant and a proportionally smaller grant may be provided for part-time private education enrollment. Each grant agreement is valid for one school year and may be renewed or reinstated in a future year at the option of the parent.

Grant funds for each student must be deposited quarterly into an education savings account opened by a parent. The funds must only be used for specific education expenses. The Treasurer: may deduct up to 3 percent from the grant to cover administrative costs, which include annual audits of random education savings accounts; must establish reasonable fees for the education savings accounts; and may qualify one or more private financial firms to manage those accounts.

Participating entities to receive funding from the education savings account, which may include a parent, must meet certain requirements and maintain ongoing compliance. The Treasurer will publish a list of such entities. Participating students must complete standardized tests in math and English and their results will be shared with the Department of Education, which will aggregate the results and report on the general progress of grant recipients. Students choosing to return to public school must do so at the end of a school funding period. Funds in an education savings account roll over from year to year and must be reverted to the State General Fund upon graduation of a student from high school.

This bill is effective on July 1, 2015, for purposes of adopting regulations and performing other administrative tasks; and on January 1, 2016, for all other purposes.

SENATOR WOODHOUSE:

I stand in opposition to Senate Bill No. 302. As I said yesterday, in the Senate Finance Committee, this is of no surprise to anyone I am sure. I would like to applaud the members of the Senate, Assembly and the Governor's Office, for all of the things that we have done for public education this 78th Session. Our number one goal in coming here was to find ways to address the issues that face public education today.

Senate Bill No. 302 will take millions of dollars out of our public schools when we need millions of dollars in those schools to address the needs of those students. We have already

processed the Governor's Opportunity Scholarship Program. I think it is time to stop, let that one work and not go any further with this bill. I urge opposition to Senate Bill No. 302.

SENATOR DENIS:

I have a question for the Committee. Is there a fiscal note on this?

SENATOR KIECKHEFER:

The Treasurer's Office submitted a fiscal note yesterday that was unsolicited. It did not recognize a 3 percent administrative fee they could assess out of the savings account to cover the cost. Any cost outlined by the Treasurer's Office in the fiscal note will be covered by that administrative fee.

SENATOR DENIS:

I also stand in opposition to this bill. While I want to help all of our kids, there is no guarantee the neediest of the needy are going to be helped. The poverty number that was used is higher than we normally use if we are truly trying to help those that are in need. I am a little bit concerned, as was mentioned earlier by my colleague, this will take money away from public education. I am concerned that this could be a financial managers dream, creating jobs for financial managers because someone is going to have to manage these accounts. I have seen some of the issues going on nationwide with this type of voucher. We have a lot of things we are working on this interim to help kids that really need the help. I do not think this is something that we should consider at this time. I oppose this bill.

SENATOR FORD:

As my colleague from District 5 said, nor will it be a surprise to anyone here, I rise in opposition to this bill. It is a voucher at a time when we are supposed to be funding public schools. We are taking away 90 percent of the per-pupil expenditures for students who want to participate in the so-called Education Savings Plan. It is problematic. So, 3 percent of that is an administrative fee? That money actually could have been used in the public schools where they are supposed to be. There is no accountability in this bill. We have no idea, no assurance, that the students are going to be well educated, or better or worse, frankly, than what they are receiving in their normal schools, not to mention the fact that the money can be used not just for education. They tried this in Arizona. Guess what somebody did? They went on a European vacation with their per-pupil expenditure. There is no accountability in this bill. It is not a bill I can support. I urge my colleagues to reject it as well.

SENATOR SPEARMAN:

I too must rise in opposition to this bill for the same reasons I said earlier when we were debating Senate Bill No. 511. We have teachers who are working extremely hard, under some situations that have a lot of paucity in terms of economic or financial benefits. We have students who are sitting on the floor who do not have a desk. On the one hand, it seems to me, we are saying we want to support public education by creating scholarships for teachers. On this hand, Senate Bill No. 302 is taking money out of education. I do not understand the rationale. This is just another ploy by those who oppose public education and want to destroy it, to try to do so. I agree with my colleague from Senate District 11. There are no guarantees. There appears to me to be no accountability. It takes 90 percent of the dollars that should be used in public education. We might as well just open up the door and throw the money right out the window. I oppose this bill and urge you to do so too.

SENATOR KIECKHEFER:

I take exception to the statement that I am trying to destroy public education. I send my kids to public schools. I am a product of them myself, and I have spent the vast majority of this 78th Session working on funding structures, plans and tax plans to fund education in this State. What this bill does is recognize the fact that efforts have been made in previous Sessions to turn around failing schools. Those turnarounds do not always happen right away. That is an ongoing process; something that we are learning from. On a go-forward basis, we are taking what we have learned and applying it forward. We are seeing that with our Zoom School program. We are expanding that out into a new model for kids that are in poverty, however, that does not solve

everybody's problem. Continually refocusing and doubling down on hard zoning of poor kids in the failing schools results in continuing the cycle of generational poverty. This bill gives kids an option out, and it gives parents an opportunity to take control of their child's education and do what is in the best interest of their child and their family. I stand up for that. I am proud to support it, and I am proud to vote "yes" and in doing so it does not make me an enemy of public education. It makes me a champion for kids who need it.

SENATOR HARDY:

I think some of the arguments are interesting. For example, the very argument we use that kids do not have a desk. If I were to take a child and put him in a private school, that decreases the number of children that are going to be in a public school; therefore, it will free up a room or a space in a room for a child to have a desk. The projects, the schools we are building—will we not build fewer schools and thus have more room for the children that are already there? Obviously audits and regulations can be done. The critical thing is the choice of the parents. How are the parents going to decide what to do for their child? We make lots of laws about bullying and picking on kids, but sometimes it is the fact that parents realize they have to take their child out of the public system and use a private system in order to be able to get protection for their child. This is more than just the education. Sometimes this is about protection, and that should be the choice of the parents.

SENATOR BROWER:

I rise in support of the bill. Like only a few of us here in this Chamber, I attended the public schools in our State. Bertha Ronzone, O.K. Adcock, Kermit R. Booker, Sixth Grade Center, Garside Junior High, Bonanza High School. While this certainly is a novel concept, it is something I think our inability to get to where we need to be, in terms of quality in our public schools, mandates that we do this; that we try this. I would say to anyone who thinks that the proponents of this concept are somehow opposed to public education in their state—you have not been paying attention to what we are doing, to what the Majority Party is doing with the help of the Minority in this Body during this 78th Session. Whether it is the reform legislation, whether it is the not insignificant funding proposals, I do not think there should be any doubt how committed this Body is to public education in our State. This is simply another alternative approach to achieve the common goal I think we have. I urge my colleagues support.

SENATOR ATKINSON:

I did not attend the public school system in this State, but we all know I have someone I am very proud of who did, and he did very well. However, there were challenges. There were a lot of challenges. My colleagues from District 2 likes to say that he believes most, if not all, the schools in his district have issues. He and I go back and forth on this, and it is not necessarily a good argument or debate. It is not good to brag on the students in each district that have challenges. I see nothing in this bill that guarantees poor kids will be helped by it. I do not see anything in here that says that. If you have a system in place that takes out all the kids from whom some kids can actually learn that is not helping. I cannot tell you of all the kids that my daughter learned some good things from in school. If we set up a system that extracts most of them and gives them opportunities to get out, it leaves the others behind.

We can talk about classroom size and all the other issues, but I would like to remind my colleague that while we are bragging about this being the Session of education, we have tried to make plenty of other Sessions about education and just did not have the support. Our colleagues on this side are proud to stand and support the Governor's efforts to pass legislation this year that we have been trying to do for a number of years. While my colleague from District 15 wants to brag about that, we are just as proud and just as happy to do that too because a lot of these ideas are ours from years past.

I do not see how this bill helps poor children. I am sure my colleague from District 2 and I will talk about this again. We will go down the lists of schools in our districts where we have a lot of challenges. This bill does not help those kids. We have to stand in opposition.

Roll call on Senate Bill No. 302:

YEAS—11.

NAYS—Atkinson, Denis, Ford, Kihuen, Manendo, Parks, Spearman, Woodhouse—8.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 302 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 508.

Bill read third time.

Remarks by Senators Kieckhefer, Woodhouse and Denis.

SENATOR KIECKHEFER:

Senate Bill No. 508 expresses the intent of the Legislature to provide additional resources to the Nevada Plan. It expresses the multiplier of the basic support guaranteed to meet the needs of pupils; including without limitation pupils with disabilities, pupils who are limited English proficient, pupils who are at risk and gifted and talent pupils. The bill also removes the count-day provision and instead requires school districts and charter schools to report to the Department of Education average daily enrollment on a quarterly basis.

Section 7 of the bill requires the State Superintendent of Public Instruction to, in each even numbered year, review and revise if necessary the factors used in the equitable distribution of funding to school districts, known as the Equity Allocation Model. This was adopted for the previous biennium and presents such review and recommended revisions to the legislative Committee on Education for consideration.

The Superintendent shall consider any suggested recommendations for change made by the legislative Committee on Education and determine whether to incorporate such recommendations into the Equity Allocation Model to be submitted to the Governor for inclusion in the proposed Executive Budget. It will also be submitted to the Director of the Legislative Council Bureau for transmittal to the next Session of the Legislature.

Section 8 of the bill limits the funding provided to each school district and charter school, through the multiplier for pupils with disabilities, to the actual number pupils with disabilities enrolled in the school district or charter school, not to exceed 13 percent of the total pupil enrollment for the school district or charter school. If, however, the enrollment of students with disabilities in a school district or charter school is greater than 13 percent, the school district or charter must receive funding in an amount to satisfy the requirements for maintenance of effort under federal law.

Section 9 of the bill eliminates the hold-harmless provision for enrollment declines of less than 5 percent and requires the hold-harmless be calculated on the higher of the current or the previous year's enrollment.

Section 11 of the bill removes, effective July 1, 2017, the requirement that pupils enrolled in kindergarten be counted as 6/10th and instead includes those pupils in the regular report of average-daily enrollment with pupils in grades 1 through 12 inclusive.

Section 24 of the bill creates the Contingency Account for Special Education and requires the State Board of Education to adopt regulations for the application, approval and disbursement of money to reimburse school districts and charter schools for extraordinary program expenses and related services for pupils with significant disabilities.

Section 28 of the bill requires the Department of Education to develop a plan regarding the amount of the multiplier for each category of pupil and the date by which the plan shall be implemented or phased in with full implementation, occurring not later than fiscal year 2021-2022. The Department is further required to submit the plan to the legislative Committee on Education for its review and consideration during the next Interim. It requires the Committee to submit a report on the plan on or before October 1, 2016, to the Governor and the Director of the Legislative Council Bureau for transmission to the 79th Session the Nevada Legislature.

Sections 1, 3, 6, 8, 10, 15, 20, 23, 25 and 30 of this Act become effective on July 1, 2016. Sections 11, 13 and 16 of this Act become effective on July 1, 2017. All the remaining sections are effective upon passage and approval.

I think this is an extraordinary step forward in how we allocate funding in our State for pupils who are most at need, and I encourage the Body's support.

SENATOR WOODHOUSE:

I am going to vote for Senate Bill No. 508, and I wanted everyone in this Body to know that. I also wanted to put something on the record that I believe you all should know in case you were not aware of it. During the 2013 Legislative Session, a Task Force on K-12 Public Education Funding was authorized. You all received this book at the start of the 78th Session. It is quite hefty, and I am sure that you realize there is a lot going into the Nevada Plan. That is the reason why this is such a key issue for all of us. The recommendation to direct the Committee to do this last Legislative Session was because the Nevada Plan had not been seriously revised since 1967. Therefore, a number of us went to work on this. Unfortunately, the bill that was the recommendation of the Task Force on K-12 Education Funding was not heard. Instead, we have Senate Bill No. 508, which does take a step in the right direction regarding the Nevada Plan. At this point in time, I know you can tell I am disappointed Senate Bill No. 397 did not receive a hearing; however, I want to take the opportunity to thank the members of the Technology Committee, on which I served. I had awesome fiscal experts who worked with me to bring recommendations to the task force. I also want to thank the task force which was chaired by Senator Denis. Also serving on that task force was Senator Roberson, Former Assemblywoman Flores and Assemblyman Hickey. All of us put in thousands of hours both in committee meetings as well as in researching on our own. It is unfortunate we did not have an opportunity to see that bill, to have that bill debated. Senate Bill No. 508 is a start in the right direction to revise the Nevada Plan which is long overdue. I urge your support.

SENATOR DENIS:

I stand in opposition to Senate Bill No. 508. While it is a step, it is a little disappointing because, as was mentioned, we had a wonderful task force consisting of some of the best, most knowledgeable people when it comes to education funding and formulas. We had fiscal people; we had education representatives from throughout the State. They spent thousands of hours on this project. You saw the booklet that came out from that task force. As was mentioned, the last time the funding formula was adjusted was 1967. I was in first grade, that was a long time ago. I am passionate about this issue because we are one of the few states that does not do weighted funding for at-risk ELL kids. I am grateful and thankful that we have got programs such as Zoom Schools and Victory Schools this time that are going to put extra money into this, but we all know that is just a temporary fix. The real fix is in fixing the funding formula. This bill had perhaps, at the most, two hours between the two different hearings. I offered an amendment that could have made this better, that would have taken into consideration the things that came out of the task force, but I was not even given the opportunity to present that. This still does not really implement it for another couple years because we have to let people gear up to it. I think we can come back and fix this so I oppose it. I think of all the work that we did, that sometimes we do that around here. We will spend a lot of time doing something, and then, we will not even take into consideration all that work that went into it. I am grateful for those who were on the task force and all the time that they spent. Probably more because of that and because it was not even given consideration, those are the main reason I oppose this bill.

SENATOR KIECKHEFER:

I do thank all of my colleagues who served on the task force and the technical committee because their recommendations are exactly what have led to this update. We are moving into a weighted funding formula this next Biennium. We are putting weights directly into special education students in the second year of the upcoming Biennium. We are in the process of ensuring that, whatever weights we ultimately use, they are applicable.

We have heard a lot about the efficacy of the Zoom School Program. While that has only had two years in the making, I believe another two years will tell us, based on that weight, how effective it is for English Language Learning students and whether or not the weight we have

applied to that is appropriate. As we allocate our dollars, I believe it is our responsibility to make sure that we are doing the best job we can with them in terms direction and placing them where they need to be. This bill certainly does that, while also ensuring we have the ability to course correct if we may be in error.

I feel strongly that this is a significant step in the right direction. It is a change that is beginning now.

SENATOR DENIS:

I do not disagree with those comments that were just made. I wanted to at least put on the record one of my concerns since I did not really get the opportunity to discuss it in the committee meeting. In section 28, on lines 6 through 10, it says that "...the Department of Education shall review and consider the recommendations made by the Task Force on K-12 Public Education Funding created by S.B. 500 of the 77th Session." While I had recommended a little bit stronger language, that does not necessarily guarantee that any of the work of the Task Force will be implemented. It just says they will review and consider. I wanted to put that on the record so that if this moves forward, the Department will consider and actually implement some of the things we are able to work out in there.

Roll call on Senate Bill No. 508:

YEAS—18.

NAYS—Denise.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 508 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 321.

Bill read third time.

Remarks by Senator Harris.

Senate Bill No. 321 provides homeowners with a documented financial hardship and who are in imminent risk of default with the ability to request a foreclosure mediation. This allows homeowners to sit down with their lenders and prospectively look at solutions to their housing problems before a notice of default is filed. It would truly be the only lever a homeowner has with regard to finding solutions to their problems in lieu of having to go through the foreclosure process.

Roll call on Senate Bill No. 321:

YEAS—19.

NAYS—None.

EXCUSED—Segerblom, Smith—2.

Senate Bill No. 321 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 5, 25, 29, 36, 38, 40, 50, 59, 84, 144, 174, 188, 192, 209, 223, 238, 240, 254, 285, 401, 419, 476; Assembly Bills Nos. 21, 40, 44, 132, 166, 176, 198, 468.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Kieckhefer, the privilege of the floor of the Senate Chamber for this day was extended to Bordewich Bray Elementary students: Gabe Allen, Noah Blakeney, Chris Camacho, Shirley Campas, Delcia Colunga, Hunter Del Fiorentino, Talia Diez, Taylor Dungey, Preston Emborsky, Autumn Frost, Makala Furlong, Cassy Gantan, Matthew Garcia Tapungot, William Goodman, Isabell Gutierrez, Joey Hitchcock, Jacob Hughes, Kayce Johnston, Julia Kaiser, Gracie Konrad, Korbin Kossmann, Ester Lainez, Norissa Lockhart, Monica Mascareno, James Mason, Hunter Matthies, Eduardo Medina, Jacob Miltimore, Ramon Montez, Kaylee Morean, Ethne Myler, Sidynnee Noble, Leslie Nunez, Hailee Olson, Marius Painter, Xavier Pierce, Anirudh Praveen, Michael Putt, Jose Rivera, Andrew Roa, Samuel Sanchez, Joshua Shortt, Adam Sulik, Jimena Tapia-Gonzalez, Seth Taylor, Joseph Tierney, Jasmine Valdivia, Danielle Van Dusen, Nico Ventura, Natalyn Wakeling and Emma Young.

Senator Roberson moved that the Senate adjourn until Thursday, May 28, 2015, at 12:00 p.m.

Motion carried.

Senate adjourned at 4:22 p.m.

Approved:

MARK A. HUTCHISON

President of the Senate

Attest: CLAIRE J. CLIFT

Secretary of the Senate