

SENATE BILL NO. 90—SENATOR FORD

PREFILED JANUARY 27, 2017

Referred to Committee on Government Affairs

SUMMARY—Makes various changes relating to student loans.  
(BDR 18-18)

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

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

AN ACT relating to student loans; requiring the State Treasurer to develop and carry into effect a program to allow residents of this State to refinance certain student loans; authorizing the issuance of revenue bonds to pay the cost of the program; requiring the State Treasurer to compile and disseminate certain informational material about private lending institutions that make student loans; requiring postsecondary educational institutions in this State to provide certain information to persons who apply for admission to or are enrolled in those institutions; requiring the State Treasurer to prepare reports relating to the amount of indebtedness incurred for student loans by students attending educational institutions in this State; repealing provisions relating to an existing student loan program; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 **Section 2** of this bill requires the State Treasurer to develop and carry into  
2 effect a program to allow residents of this State to obtain loans to refinance certain  
3 student loans. **Section 3** of this bill authorizes the State Treasurer to issue or request  
4 the issuance of revenue bonds to pay the cost of the program in the manner  
5 provided by the State Securities Law. **Section 4** of this bill requires the State  
6 Treasurer to compile and make available to the public information regarding the  
7 rates of interest, repayment requirements and policies of private lending institutions  
8 that regularly make loans to residents of this State. **Section 4** also requires that  
9 those lending institutions be ranked according to the rate of interest charged for  
10 student loans and the degree to which their repayment requirements and policies are  
11 determined by the State Treasurer to be more or less favorable to borrowers.



**Section 5** of this bill requires the State Treasurer to prepare informational material relating to student loans for prospective and current students of postsecondary educational institutions, including, without limitation, student loan repayment options, strategies for managing debt and the consequences of defaulting on a student loan.

**Section 6** of this bill requires the State Treasurer to compile and analyze annually certain information relating to the average amount of indebtedness incurred for student loans by students attending postsecondary educational institutions both within the State and nationally, and report the results of the analysis to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

**Section 9** of this bill requires that each private postsecondary educational institution operating in this State provide to each applicant for admission to the institution certain information about the costs of attending the institution, available student loans and the amount of indebtedness that will be incurred if student loans are used to pay all the costs of attendance.

**Section 15** of this bill requires that each institution of the Nevada System of Higher Education provide to each student who is enrolled in the institution and who has entered into a federal student loan certain information about the costs of attending the institution and the repayment process for federal student loans.

**Section 18** of this bill repeals provisions relating to an existing student loan program, the Nevada Higher Education Student Loan Program, which the Superintendent of Public Instruction is authorized to administer.

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

**Section 1.** Chapter 226 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.1 to 6, inclusive, of this act.

**Sec. 1.1.** *As used in sections 1.1 to 6, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 1.3, 1.4 and 1.5 of this act have the meanings ascribed to them in those sections.*

**Sec. 1.3.** *“Postsecondary educational institution” has the meaning ascribed to it in NRS 394.099.*

**Sec. 1.4.** *“Private lending institution” or “lending institution” means any private entity that itself, or through an affiliate, makes available student loans to pay for or finance the expenses of attending a postsecondary educational institution.*

**Sec. 1.5.** *“Student loan” means a loan issued by the Federal Government, a private lending institution or a postsecondary educational institution to pay for or finance the expenses of attending a postsecondary educational institution.*

**Sec. 2. 1.** *The State Treasurer shall develop and carry into effect a program that allows residents of this State to obtain loans to refinance qualified education loans in an amount not to exceed \$10,000 per loan. In carrying out the program, the State Treasurer*



1 *may make loans, undertake commitments to make loans and*  
2 *participate with private lending institutions in the making of loans*  
3 *to refinance qualified education loans. The criteria for*  
4 *determining eligibility to participate in the program must be*  
5 *determined by the State Treasurer by regulation, and include,*  
6 *without limitation, a requirement that the borrower:*

7 *(a) Has a minimum credit score;*

8 *(b) Was a resident of this State at the time the borrower*  
9 *entered into the qualified educational loan; and*

10 *(c) Satisfy any other requirement which is substantially similar*  
11 *to the criteria used by private lending institutions in this State to*  
12 *determine whether a person qualifies for an unsecured personal*  
13 *loan at a market rate of interest.*

14 *2. The rate of interest on loans made pursuant to the program*  
15 *must be as low as practicable, but sufficient to pay the cost of the*  
16 *program, including, without limitation, the repayment of bonds*  
17 *issued pursuant to section 3 of this act, and provide a reserve in an*  
18 *amount determined to be appropriate by the State Treasurer.*

19 *3. A loan made pursuant to this program must be subject to*  
20 *the provisions of 11 U.S.C. § 523(a)(8).*

21 *4. As used in this section, "qualified education loan" has the*  
22 *meaning ascribed to it in 26 U.S.C. § 221(d)(1).*

23 **Sec. 3.** *1. To pay the cost of the program created pursuant*  
24 *to section 2 of this act, the State Treasurer may borrow money or*  
25 *otherwise become obligated, and may provide evidence of those*  
26 *obligations by issuing or requesting the State Board of Finance to*  
27 *issue revenue bonds in the manner provided by the State Securities*  
28 *Law.*

29 *2. Any bonds issued pursuant to this section and*  
30 *administrative expenses related to the bonds are payable solely*  
31 *from revenues pledged or available for their repayment. This*  
32 *limitation must be plainly stated on the face of the bonds.*

33 **Sec. 4.** *1. The State Treasurer shall identify each private*  
34 *lending institution that regularly makes student loans to residents*  
35 *of this State. For each such lending institution, the State*  
36 *Treasurer shall obtain and analyze information relating to the rate*  
37 *of interest currently charged by the lending institution and its*  
38 *repayment requirements and policies as they relate to student*  
39 *loans available to residents of this State.*

40 *2. Based upon the analysis of the information described in*  
41 *subsection 1, the State Treasurer shall compile and maintain a list*  
42 *of the private lending institutions identified by the State Treasurer,*  
43 *ranking them as far as practicable according to the rate of interest*  
44 *charged by each lending institution and the repayment*  
45 *requirements and policies of each lending institution as they relate*



1 *to student loans available to residents of this State. Those lending*  
2 *institutions charging a lower rate of interest and having*  
3 *repayment requirements and policies that are determined by the*  
4 *State Treasurer to be more favorable to borrowers must be ranked*  
5 *more highly than competing lending institutions. The State*  
6 *Treasurer shall post the list developed pursuant to this subsection*  
7 *on the Internet website of the State Treasurer, specifically*  
8 *identifying the five lending institutions that are most highly*  
9 *ranked and the five lending institutions that are lowest ranked.*  
10 *The State Treasurer shall update the list not less frequently than*  
11 *every 30 days.*

12 **Sec. 5.** *The State Treasurer shall prepare informational*  
13 *material for students or prospective students on the terms and*  
14 *conditions of student loans and the responsibilities of a borrower*  
15 *with respect to a student loan. The material must include, without*  
16 *limitation, information about available repayment plans for*  
17 *student loans, strategies for managing debt, options for the*  
18 *prepayment of student loans and the consequences of defaulting*  
19 *on a student loan.*

20 **Sec. 6.** *1. On or before January 15 of each year, each*  
21 *institution of the Nevada System of Higher Education and each*  
22 *postsecondary educational institution licensed by the Commission*  
23 *on Postsecondary Education shall submit to the State Treasurer a*  
24 *report setting forth the average amount of indebtedness incurred*  
25 *for student loans during the immediately preceding calendar year*  
26 *by students attending the postsecondary educational institution.*

27 *2. The State Treasurer shall:*

28 *(a) Compile and analyze the information reported pursuant to*  
29 *subsection 1 to determine the statewide average amount of*  
30 *indebtedness incurred for student loans during the immediately*  
31 *preceding calendar year by students attending the institutions*  
32 *described in subsection 1;*

33 *(b) Compare the amount determined pursuant to paragraph*  
34 *(a) to the national average amount of indebtedness incurred for*  
35 *student loans during the immediately preceding calendar year by*  
36 *students attending postsecondary educational institutions in the*  
37 *United States;*

38 *(c) Compare the amount determined pursuant to paragraph (a)*  
39 *to the statewide average amount of indebtedness incurred for*  
40 *student loans during the immediately preceding calendar year by*  
41 *students attending postsecondary educational institutions in the*  
42 *state with the lowest ratio of statewide average amount of*  
43 *indebtedness incurred for student loans to the lowest quintile of*  
44 *per capita income during that year; and*



*(d) On or before March 15 of each year, submit a report of the analysis required by paragraph (a) and the comparisons required by paragraphs (b) and (c) to:*

*(1) The Governor; and*

*(2) The Director of the Legislative Counsel Bureau for transmittal to the Legislature.*

**Sec. 7.** (Deleted by amendment.)

**Sec. 8.** (Deleted by amendment.)

**Sec. 8.5.** NRS 226.110 is hereby amended to read as follows:

226.110 The State Treasurer:

1. Shall receive and keep all money of the State which is not expressly required by law to be received and kept by some other person.

2. Shall receipt to the State Controller for all money received, from whatever source, at the time of receiving it.

3. Shall establish the policies to be followed in the investment of money of the State, subject to the periodic review and approval or disapproval of those policies by the State Board of Finance.

4. May employ any necessary investment and financial advisers to render advice and other services in connection with the investment of money of the State.

5. Shall disburse the public money upon warrants drawn upon the Treasury by the State Controller, and not otherwise. The warrants must be registered and paid in the order of their registry. The State Treasurer may use any sampling or postaudit technique, or both, which he or she considers reasonable to verify the proper distribution of warrants.

6. Shall keep a just, true and comprehensive account of all money received and disbursed.

7. Shall deliver in good order to his or her successor in office all money, records, books, papers and other things belonging to his or her office.

8. Shall fix, charge and collect reasonable fees for:

(a) Investing the money in any fund or account which is credited for interest earned on money deposited in it; and

(b) Special services rendered to other state agencies or to members of the public which increase the cost of operating his or her office.

9. Serves as the primary representative of the State in matters concerning any nationally recognized bond credit rating agency for the purposes of the issuance of any obligation authorized on the behalf and in the name of the State, except as otherwise provided in NRS 538.206 and except for those obligations issued pursuant to chapter 319 of NRS and NRS 349.400 to 349.987, inclusive.



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10. Is directly responsible for the issuance of any obligation authorized on the behalf and in the name of the State, except as otherwise provided in NRS 538.206 and except for those obligations issued pursuant to chapter 319 of NRS and NRS 349.400 to 349.987, inclusive. The State Treasurer:

(a) Shall issue such an obligation as soon as practicable after receiving a request from a state agency for the issuance of the obligation.

(b) May, except as otherwise provided in NRS 538.206, employ necessary legal, financial or other professional services in connection with the authorization, sale or issuance of such an obligation.

11. May organize and facilitate statewide pooled financing programs, including lease purchases, for the benefit of the State and any political subdivision, including districts organized pursuant to NRS 450.550 to 450.750, inclusive, and chapters 244A, 309, 318, 379, 474, 541, 543 and 555 of NRS.

12. Shall serve as the Administrator of Unclaimed Property.

*13. May adopt regulations to carry out the provisions of sections 1.1 to 6, inclusive, of this act.*

**Sec. 9.** Chapter 394 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Each postsecondary educational institution shall provide to each applicant for admission to the institution and, if the applicant is under the age of 18 years, to the parent or guardian of the applicant, information about:*

*(a) The total annual cost of attending the institution, including, without limitation, the cost of tuition, fees, books, materials and room and board;*

*(b) The approximate or, if known, the actual total amount of any financial aid that the applicant will receive from the institution;*

*(c) The approximate or, if known, the actual total amount of indebtedness that the applicant will incur over a period of 4 years if all the costs described in paragraph (a) are paid with student loans, and the monthly payment that will be required to repay that indebtedness; and*

*(d) Current interest rates and repayment plans for student loans that are available to students attending the institution and the rate of default on student loans among students who have left the institution during the immediately preceding 10 years.*

*2. Each postsecondary educational institution shall create a link on its Internet website to the list of private lending institutions posted pursuant to section 4 of this act by the State Treasurer.*



**Sec. 10.** NRS 394.411 is hereby amended to read as follows:

394.411 1. The Commission shall adopt regulations governing the administration of NRS 394.383 to 394.560, inclusive, *and section 9 of this act* and may adopt such other regulations as are proper or necessary for the execution of the powers and duties conferred upon it by law.

2. The Administrator shall execute, direct or supervise all administrative, technical and procedural activities for which the Administrator is responsible in accordance with the policies and regulations of the Commission and subject to the Commission's direction and control.

**Sec. 11.** NRS 394.480 is hereby amended to read as follows:

394.480 1. Notwithstanding the provisions of NRS 100.065 to the contrary, each:

(a) Postsecondary educational institution initially licensed on or after July 1, 1995, shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the initial license to operate, including any provisional period.

(b) Postsecondary educational institution or other entity which is authorized to employ one or more agents in this State shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the agent's permit.

(c) Postsecondary educational institution that poses a financial risk to the students who are enrolled in the institution, as determined by the Commission, shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for a period that the Commission determines is appropriate.

(d) Postsecondary educational institution that files for a change of ownership shall file with the Administrator a surety bond in the amount of \$10,000 or in a greater amount determined by the Commission for the period of the initial license to operate issued to the new owner, including any provisional period.

(e) Postsecondary educational institution may be required by the Commission to file a new or supplementary bond in an amount and for a period determined appropriate by the Commission if the Commission determines that the current bond filed by the institution is insufficient to cover all claims, accrued or contingent, against the institution.

2. The bond required of a postsecondary educational institution pursuant to subsection 1 must be executed by the entity that owns the institution as principal, by a surety company as surety and by a licensed insurance agent residing in this State. The bond must be



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1 payable to the State of Nevada and must be conditioned to provide  
2 indemnification to any student, enrollee or his or her parent or  
3 guardian determined by the Commission to have suffered damage as  
4 a result of any act by the postsecondary educational institution that  
5 is a violation of NRS 394.383 to 394.560, inclusive ~~H~~, and *section*  
6 *9 of this act*. The bonding company shall provide indemnification  
7 upon receipt of written notice of the determination by the  
8 Commission. The bond may be continuous, but regardless of the  
9 duration of the bond the aggregate liability of the surety does not  
10 exceed the penal sum of the bond.

11 3. A surety on any bond filed pursuant to this section may be  
12 released after the surety gives 30 days' written notice to the  
13 Administrator, but the release does not discharge or otherwise affect  
14 any claim filed by a student, enrollee or his or her parent or guardian  
15 for damage resulting from any act of the postsecondary educational  
16 institution or agent alleged to have occurred while the bond was in  
17 effect, or for an institution's ceasing operations during the term for  
18 which tuition had been paid while the bond was in force.

19 4. A license or an agent's permit is suspended by operation of  
20 law when the institution or agent is no longer covered by a surety  
21 bond as required by this section. The Administrator shall give the  
22 institution or agent, or both, at least 20 days' written notice before  
23 the release of the surety, to the effect that the license or permit will  
24 be suspended by operation of law until another surety bond is filed  
25 in the same manner and amount as the bond being terminated.

26 5. If any student is entitled to a refund from an institution  
27 pursuant to any provision of NRS 394.383 to 394.560, inclusive,  
28 *and section 9 of this act*, the surety shall provide indemnification.

29 **Sec. 12.** NRS 394.510 is hereby amended to read as follows:

30 394.510 1. The Commission may impose an administrative  
31 fine of not more than \$10,000 against a licensee, revoke a license, or  
32 make a license conditional after its issuance, if the Commission  
33 reasonably believes that the holder has violated the provisions of  
34 NRS 394.383 to 394.560, inclusive, *and section 9 of this act*, or  
35 regulations adopted pursuant to those sections, or has failed to  
36 comply with a lawful order of the Commission. The Administrator  
37 shall notify the institution of the reasons for the action by certified  
38 mail to its last known address, 20 days before the meeting of the  
39 Commission at which the action will be considered.

40 2. If the Commission revokes a license, the institution shall  
41 cease its operations and granting degrees and shall refund to each  
42 enrolled student the cost of the student's current course or program.

43 3. The Administrator may impose an administrative fine of not  
44 more than \$10,000 against an institution or agent, revoke an agent's  
45 permit, or make a permit conditional after its issuance, if the





1 Administrator reasonably believes that the holder has violated the  
2 provisions of NRS 394.383 to 394.560, inclusive, *and section 9 of*  
3 *this act* or regulations adopted pursuant thereto. Before action is  
4 taken, the Administrator shall notify the holder by certified mail of  
5 facts or conduct that warrant the impending action and advise the  
6 holder that if a hearing is desired it must be requested within 10  
7 days after receipt of the notice letter. If no hearing is requested  
8 within the prescribed period the action becomes final.

9 4. If an agent is fined or the agent's permit is revoked or  
10 conditions imposed, the Administrator shall notify, by certified  
11 mail, the institution the agent represented in addition to the agent  
12 and any other parties to any hearing.

13 **Sec. 13.** NRS 394.520 is hereby amended to read as follows:

14 394.520 1. Until 1 year after the last date of attendance or  
15 date on which the damage occurred, whichever is later, a person  
16 claiming damage as a result of any act by a postsecondary  
17 educational institution or its agent, or both, that is a violation of  
18 NRS 394.383 to 394.560, inclusive, *and section 9 of this act*, or  
19 regulations adopted pursuant thereto, may file with the  
20 Administrator a verified complaint against the institution, its agent,  
21 or both. The complaint must set forth the alleged violation and  
22 contain other information as required by regulations of the  
23 Commission. A complaint may also be filed by a Commissioner or  
24 the Attorney General or initiated by the Administrator.

25 2. The Administrator shall investigate any verified complaint  
26 and may, at his or her discretion, attempt to effectuate a settlement  
27 by arbitration, mediation or negotiation. The Administrator may also  
28 consult with the applicable accrediting body to resolve the  
29 complaint. If a settlement cannot be reached, the Administrator shall  
30 render a decision and notify each party of the decision and the  
31 reasons for it by certified mail to his or her last known address.  
32 Either party may request a hearing before the Commission by  
33 notifying the Administrator by certified mail within 15 days after  
34 the decision was mailed to the party. The hearing must be held at the  
35 next meeting of the Commission in the geographical area convenient  
36 to the parties. If a hearing is not requested, the decision of the  
37 Administrator is final.

38 3. If, after consideration of all the evidence presented at a  
39 hearing, the Commission finds that a postsecondary educational  
40 institution or its agent, or both, are guilty of the violation alleged in  
41 the complaint, it shall issue and the Administrator shall serve upon  
42 the institution or agent, or both, an order to cease and desist from the  
43 violation. If the Commission finds the institution has substantially  
44 failed to furnish the instruction or services agreed upon in the  
45 agreement to enroll, it shall order the institution to make full



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1 restitution to the student of all money paid pursuant to the  
2 agreement. If the Commission finds that the institution has  
3 substantially furnished the instruction or services agreed upon in the  
4 agreement to enroll, but that conditions in the school were  
5 sufficiently substandard that it was not reasonable to expect the  
6 student to complete the instruction, the Commission shall order the  
7 institution to make restitution to the student of one-half the money  
8 paid pursuant to the agreement. The Commission may also, as  
9 appropriate, based on the Administrator's investigation and the  
10 evidence adduced at the hearing, or either of them, institute  
11 proceedings to revoke an institution's license or recommend that the  
12 Administrator institute proceedings to revoke an agent's permit.

13 **Sec. 14.** NRS 394.553 is hereby amended to read as follows:

14 394.553 1. The Account for Student Indemnification is  
15 hereby created in the State General Fund. The existence of the  
16 Account does not create a right in any person to receive money from  
17 the Account. The Administrator shall administer the Account in  
18 accordance with regulations adopted by the Commission.

19 2. Except as otherwise limited by subsection 3, the money in  
20 the Account may be used to indemnify any student or enrollee who  
21 has suffered damage as a result of:

22 (a) The discontinuance of operation of a postsecondary  
23 educational institution licensed in this state; or

24 (b) The violation by such an institution of any provision of NRS  
25 394.383 to 394.560, inclusive, *and section 9 of this act* or the  
26 regulations adopted pursuant thereto.

27 3. If a student or enrollee is entitled to indemnification from a  
28 surety bond pursuant to NRS 394.480, the bond must be used to  
29 indemnify the student or enrollee before any money in the Account  
30 may be used for indemnification.

31 4. In addition to the expenditures made for indemnification  
32 pursuant to subsection 2, the Administrator may use the money in  
33 the Account to pay extraordinary expenses incurred to investigate  
34 claims for indemnification or resulting from the discontinuance of  
35 the operation of a postsecondary educational institution licensed in  
36 this state. Money expended pursuant to this subsection must not  
37 exceed, for each institution for which indemnification is made, 15  
38 percent of the total amount expended for indemnification pursuant  
39 to subsection 2 or \$10,000, whichever is less.

40 5. No expenditure may be made from the Account if the  
41 expenditure would cause the balance in the Account to fall below  
42 \$10,000.

43 6. Interest and income earned on the money in the Account,  
44 after deducting any applicable charges, must be credited to the  
45 Account.



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7. The money in the Account does not lapse to the State General Fund at the end of any fiscal year.

**Sec. 15.** Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Each university, state college and community college within the System shall provide information concerning federal student loans to each student who is enrolled at the university or college, as applicable, and has entered into a federal student loan, including, without limitation:*

*(a) The total annual cost of attending the university or college for each school year beginning with the school year in which the student entered into a federal student loan, including, without limitation, the cost of tuition, fees, books, materials and room and board;*

*(b) The type of federal student loan which the student has entered into and the process for repayment;*

*(c) The amount of the federal student loan which the student has entered into and the applicable interest rate during the term of the loan;*

*(d) The manner in which interest accrues during the term of the federal student loan, including, without limitation, the manner in which interest is capitalized for nonpayment of the loan;*

*(e) The terms of eligibility for deferment of payments for a federal student loan while a student is enrolled in a postsecondary educational institution;*

*(f) The binding nature of the obligation to repay the federal student loan;*

*(g) Typical monthly payment amounts for a federal student loan; and*

*(h) Information concerning the National Student Loan Data System or its successor.*

*2. Each university, state college and community college within the System shall create a link on its Internet website to the list of private lending institutions posted pursuant to section 4 of this act by the State Treasurer.*

**Sec. 16.** NRS 397.060 is hereby amended to read as follows:

397.060 The three Nevada State Commissioners, acting jointly:

1. Shall:

(a) Choose from among Nevada residents who apply for a program administered by the Nevada Office of the Western Interstate Commission for Higher Education, and have at least 1 year's residence in this state immediately before applying for the program, those most qualified for contract places; and

(b) Certify them to receiving institutions or locations at which an applicant will practice his or her profession.



2. Shall choose from among the applicants, for a program administered by the Nevada Office of the Western Interstate Commission for Higher Education, who apply for a support fee of 100 percent stipend for practice in certain professions and locations, and who lack at least 1 year of residence in this State immediately before applying for the program, those most qualified for contract places.

3. Shall review and certify the list of Nevada applicants for programs administered by the Regional Office of the Western Interstate Commission for Higher Education.

4. May enter into any reciprocity agreement, including, without limitation, the State Authorization Reciprocity Agreement, for the purpose of authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State if the requirements contained in the agreement for authorizing a postsecondary educational institution that is located in another state or territory of the United States to provide distance education to residents of this State are substantially similar to the requirements for licensure of a postsecondary educational institution by the Commission on Postsecondary Education pursuant to NRS 394.383 to 394.560, inclusive **H**, and *section 9 of this act*. As used in this subsection, "postsecondary educational institution" has the meaning ascribed to it in NRS 394.099.

**Sec. 17.** The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

**Sec. 18.** NRS 385.102, 385.104, 385.106, 385.107 and 385.108 are hereby repealed.

**Sec. 19.** This act becomes effective:

1. Upon passage and approval 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. On January 1, 2018, for all other purposes.

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## TEXT OF REPEALED SECTIONS

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**385.102 "Institution of higher education" defined.** As used in NRS 385.104, "institution of higher education" means an educational institution which:

1. Admits as regular students only persons having received a certificate of graduation from high school, or the recognized



equivalent of such a certificate, or those approved by the Superintendent of Public Instruction for training at a vocational-technical level;

2. Is authorized to provide a program of education beyond high school;

3. Awards a bachelor's degree or a 2-year degree or certificate of graduation or a certificate of completion of a program beyond high school;

4. Is an institution with full approval of the State of Nevada or the United States Department of Education; and

5. Has recognized accreditation.

**385.104 Establishment of Program; use of money; policies and regulations of State Board.**

1. The Higher Education Student Loan Program is hereby established.

2. Money available for the Higher Education Student Loan Program must be used to provide loans to further the educational goals of Nevada residents who are admitted to and attending institutions of higher education.

3. The State Board shall establish policies and may adopt regulations for the administration of the Higher Education Student Loan Program.

**385.106 Administration of Program; powers of State Board.**

1. The Superintendent of Public Instruction may administer the Higher Education Student Loan Program and may consult with any public officer or private person in the State who may have an interest in higher education or in the Program. The Superintendent of Public Instruction shall notify the State Board at least 30 days in advance if the Superintendent intends to stop administering the Program.

2. After receiving notice from the Superintendent of Public Instruction that he or she intends to stop administering the Program, but before the Superintendent actually stops administering it, the State Board, with the concurrence of the Governor, shall designate another public agency or private nonprofit organization to administer the Program in a manner which ensures continued access to the Program by postsecondary schools in this State, including all of the institutions of the Nevada System of Higher Education. The designation may authorize assumption of any reserves or liability accruing to an agency or organization engaged in administering the Program or the guarantee of student loans.

3. If the Superintendent of Public Instruction administers the Program, the State Board may:



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(a) Negotiate and accept federal and other money appropriated and available to insure loans for student educational purposes under the Program.

(b) Negotiate and enter into such agreements with other agencies as it deems proper for the administration and conduct of the Program.

(c) Accept gifts, grants and contributions from any source that will facilitate and assist the higher education of Nevada residents.

**385.107 Higher Education Student Loan Fund.** If the Superintendent of Public Instruction administers the Higher Education Student Loan Program:

1. The money available for the Program must be deposited in the State Treasury for credit to the Higher Education Student Loan Fund which is hereby created as a special revenue fund.

2. Each expenditure from this Fund must be paid as other claims against the State are paid.

**385.108 Duties of Superintendent of Public Instruction: Withdrawals; use of money; records.** If the Superintendent of Public Instruction administers the Higher Education Student Loan Program, the Superintendent shall:

1. Certify to the State Controller all withdrawals for purposes of the Program. The State Controller shall then issue a warrant to the State Treasurer in the amount of the certification. The State Treasurer shall disburse that amount in accordance with the warrant.

2. Use the money received for the Higher Education Student Loan Program for that Program.

3. Establish and maintain such records for the Program as are required by good accounting practices.

