

**THE ONE HUNDRED AND SEVENTH DAY**

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CARSON CITY (Tuesday), May 23, 2017

Senate called to order at 11:39 p.m.

President Hutchison presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Don Baumann.

Gracious Creator, we thank You this morning for our freedom. Since the founding of our Country, freedom has been one of our most deeply-treasured values. We realize that freedom emanates from You.

We also see that freedom must be constantly defended from those who would wish to eradicate it and change our way of life, a fact that is on our hearts in a special way this week. In particular, we ask this morning for Your comfort on those who have suffered in this terrorist attack in Birmingham; we especially ask for Your comfort and peace on all the children and young people impacted.

We thank You and ask for Your protection on those who safeguard all public events in our State, even this gathering today: the Sergeant At Arms and Legislative Security; those charged with security of all public concerts and events throughout our State; and, of course, the brave men and women in our police forces. We thank You for their diligence, training and dedication. Please help these faithful men and women strike that delicate balance between detecting threats and painting with too broad a brush, a balance they all desire so earnestly to achieve.

We ask this in the name of the One who makes us free indeed, Jesus Christ the Lord.

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 Commerce, Labor and Energy, to which was referred Assembly Bill No. 244, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Commerce, Labor and Energy, to which were referred Assembly Bills Nos. 160, 163, 457, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

KELVIN ATKINSON, *Chair*

*Mr. President:*

Your Committee on Finance, to which was re-referred Senate Bill No. 427, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

Also, your Committee on Finance, to which was referred Senate Bill No. 524, 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 were re-referred Senate Bills Nos. 221, 457, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JOYCE WOODHOUSE, *Chair*

*Mr. President:*

Your Committee on Legislative Operations and Elections, to which was referred Senate Bill No. 507, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

NICOLE J. CANNIZZARO, *Chair*

#### MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 22, 2017

*To the Honorable the Senate:*

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bills Nos. 38, 118, 145, 159, 191, 204, 215, 245, 273, 279, 295, 305, 312, 314, 318, 338, 339, 375; Assembly Bills Nos. 141, 480.

Also, I have the honor to inform your honorable body that the Assembly on this day passed, as amended, Assembly Bills Nos. 276, 486, 494.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 59, Amendment No. 743; Senate Bill No. 101, Amendment No. 666; Senate Bill No. 163, Amendment No. 715; Senate Bill No. 255, Amendment No. 683; Senate Bill No. 258, Amendment No. 765; Senate Bill No. 366, Amendment No. 714; Senate Bill No. 374, Amendment No. 713, and respectfully requests your honorable body to concur in said amendments.

Also, I have the honor to inform your honorable body that the Assembly on this day concurred in the Senate Amendment No. 742 to Assembly Bill No. 169; Senate Amendment No. 750 to Assembly Bill No. 176; Senate Amendment No. 696 to Assembly Bill No. 223; Senate Amendment No. 773 to Assembly Bill No. 272; Senate Amendment No. 706 to Assembly Bill No. 365; Senate Amendment No. 694 to Assembly Bill No. 464.

CAROL AIELLO-SALA

*Assistant Chief Clerk of the Assembly*

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Atkinson moved that Assembly Bill No. 160 be taken from the Second Reading File and placed on the Second Reading File, last Agenda.

Motion carried.

Senator Spearman moved that Assembly Bill No. 427 be taken from the General File and placed at the top of the General File for the next legislative day.

Motion carried.

Senator Cannizzaro moved that Assembly Bill No. 418 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Cannizzaro moved that Assembly Bill No. 376 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Ford moved that Senate Joint Resolution No. 6 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Senator Segerblom moved that Assembly Bill No. 25 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

## INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 141.

Senator Atkinson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Assembly Bill No. 276.

Senator Atkinson moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

Assembly Bill No. 480.

Senator Atkinson moved that the bill be referred to the Committee on Government Affairs.

Motion carried.

Assembly Bill No. 486.

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

Motion carried.

Assembly Bill No. 494.

Senator Atkinson moved that the bill be referred to the Committee on Finance.

Motion carried.

## GENERAL FILE AND THIRD READING

Senate Bill No. 261.

Bill read third time.

Remarks by Senators Parks, Kieckhefer, Goicoechea, Hardy, Segerblom, Ratti, Spearman, Cannizzaro and Manendo.

## SENATOR PARKS:

Senate Bill No. 261 authorizes a patient to request his or her attending physician to prescribe a controlled substance designed to end the life of the patient. In order to request and be prescribed such a drug, a patient must: be at least 18 years of age; have been diagnosed with a terminal condition by at least two physicians; be a resident of the State; have made an informed and voluntary decision to end his or her life; be competent and not make the request as a result of coercion or undue influence.

This bill prescribes the requirements for the manner in which a patient may request such a controlled substance and the manners in which a physician may prescribe and a pharmacist may dispense such a controlled substance. In addition, Senate Bill No. 261 provides for the reporting of certain information to the Division of Public and Behavioral Health of the Department of Health and Human Services, provides certain immunities to physicians and pharmacists who prescribe or provide life ending drugs, does not require physicians and pharmacists to prescribe or provide such drugs, and prohibits insurers from discriminating against persons on the basis of their decisions related to the use of end-of-life drugs.

It has been over 20 years since the state of Oregon enacted a law to allow terminally ill patients suffering unbearable pain and loss of physical control to end their own lives. Today, Senate Bill No. 261 proposes to provide suffering patients that same right to a peaceful and dignified death when intense physical suffering cannot otherwise be adequately be alleviated. I am confident Nevada will be guided by the experience of states that have been pioneers in the death-with-dignity

movement. These states have carefully crafted laws that give the terminally ill control over the timing and manner of their death, while putting in place safeguards to prevent abuse and medical mistakes. Senate Bill No. 261 is a measure that would offer the option of assisted dying to terminally-ill adults. It is modeled after legislation enacted in Oregon in 1994, allowing terminally-ill patients, who are Nevada residents, to obtain and use medication prescribed by their physician. Built into the law are stringent safe guards, including a life expectancy of less than six-months, a finding of medical capability, a concurring opinion from a second doctor, waiting periods and mandatory discussions of hospice care, palliative care and other options.

People who have watched loved ones endure end of life suffering and people who have battled debilitating illnesses seek humane alternatives to end their suffering. Medical advances have been a double edged sword, often prolonging life, but creating situations in which patients are kept alive with extensive suffering and diminished quality of life. There are opponents who cite religious and moral grounds, physicians who see it as an anathema to their oath of healing and disability-rights activists who see it as a risk to people with disabilities and the elderly. Worries about assisted dying leading to abuses have not been borne out after years of experience in Oregon and other states that have followed suit. The law is invoked sparingly, and many individuals who obtain prescriptions never use them. For those individuals, possessing the option is sufficient reassurance to provide peace of mind and a modicum of control during their final days.

A recent poll of 602 Nevada residents confirms that 72 percent support legislation that would give terminally ill residents the right to legally obtain prescription medication to end their lives. What is notable about the poll results is that they are consistent across all demographics whether it is by age, race, religion, education level or political party. Numerous prominent individuals, including Anglican Archbishop Desmond Tutu, have advocated for the option of an assisted death. Five states, and the District of Columbia, allow for assisted dying similar to Senate Bill No. 261, and as many as 30 states have legislation pending or planned. Nevada should add its name to the list of places that offer its citizens compassion and control at life's end. No physician, pharmacist, nurse or any type of health-care facility can be forced to participate, whether by conscience, religious belief, or for any other reason. Any person potentially involved in this process may refuse to participate, as it is purely voluntary.

SENATOR KIECKHEFER:

I have been a sponsor and co-sponsor of this bill for two consecutive Sessions. It appeals to my instincts to default to a position of individual liberty and in many ways, it still does, but I have become increasingly uncomfortable with the struggle this bill presents us and have developed a lack of clarity about this bill. I do feel lucky that I live in a place and time that what I have to struggle with is how comfortable and peaceful my death gets to be, knowing what so many people around the world and throughout history have dealt with. This bill brings up for me many of those basic questions about the divine spark that creates us, how we respect it and how we pass laws surrounding it. Some of my concerns have not been remedied. I do not necessarily trust doctors to tell me when I am going to die. Earlier this Session, we adjusted our budget to reflect the reality that we have been serving hospice patients for two years after they had received a diagnosis of six-months life expectancy. The concern about the influence caregivers may have over people is real; and this is not just for those who are disabled but may also apply to family members who are just tired, because that is a reality. So, with my lack of clarity and uncertainty as to whether this is the right vote, I will be voting "no".

SENATOR GOICOECHEA:

I rise in support of Senate Bill No. 261. In the world in which I grew up and in which I live, it is something we deal with constantly; an old dog, a good horse, a terminal animal, and we have to deal with that. It is visions of *Old Yeller*, sometimes those choices are hard. I have a number of constituents—close friends of mine—who over the years, because of the environment in which they were raised, take that option when they are terminal, and they end their lives. For the families who are impacted by that, this bill and death with dignity would, in some cases, give them an option beyond using a hose to the exhaust pipe or a gunshot. I have a number of close friends who have ended their lives that way because they were terminal. Death with dignity is a far better option.

SENATOR HARDY:

I rise in opposition to this bill. The Lord gave us charge over the animals, and He is in charge of us. I remember the sweet steps I took with my grandpa Joe. I was 16 years old and had to walk him around the block. This consisted of taking three steps then stopping and Grandpa saying, "I just want to be with Rose." I would say, "No, you don't, Grandpa," and he would say, "Yes, I do." Of all the memories I have of my grandpa, those are some of the sweetest I have ever had, walking with my grandpa. We never made it around the block.

Saturday, I had the opportunity to have my car fixed, and I was talking to auto service man. He was explaining he was there on Saturday, which he usually was not, because he had been to see his grandma, who was dying, only she did not. He talked about the thin veil that separates us mortals from those immortals, and how she would go into a mumbling phase he could not understand. My wife and I understood what he was talking about. When his grandma woke up and gained coherency, she would ask where everyone had gone. There is reality to life here and now and life after death. It would be a shame to pass up those sweet experiences like my auto-service man had, and that I and other people have had as they have attended the death of someone close to them.

As far as the coercion issue, if one is in pain or has a terminal illness—and doctors are not very good at telling people when they are going die—and you are not able to drive, there is an implied "what-are-you-going-to-do-grandpa" when you talk to the doctor alone, so you are not being coerced into a decision. You talk to the doctor alone after receiving a ride, and you depend on that person for a ride home. The concept of there being no coercion is misunderstood because there is an implied coercion if it is not overt. The actual taking of the pills, which is an off-label use, is not required to be supervised by the physician. It can be done at any time, and many times, up to 40 percent of the people do not actually go through with it. There can be mischief in the administration of someone wants to inherit sooner rather than later.

Going back to the slippery slope of the morning-after pill, we knew there was a way to have a morning-after pill to decrease the chance of implantation and pregnancy, and we lived with that. There then became a time when the pharmacist was required to fill the pill, even against moral obligations. This concept that no one is required yet, is one of the things we need to be aware of can become a slippery slope. I am in favor of life and all of the things that goes with it, and I, as a physician, try my utmost to make that life in a hospice way and a palliative way able to have sweet memories for people in their families.

SENATOR SEGERBLOM:

I rise in support of the bill. One of the great things about being human is that we have the right to our destiny. There is a point in time, I have seen it in my own and other families, when life is not worth living. That should be something we as individuals have the right to decide.

SENATOR RATTI:

I had the privilege of being a member of the Health and Human Services Committee when this bill was heard. The testimony was compelling and moved me to a firm "yes". In Oregon, we see it is a small number of people who get the prescription to end their life with dignity and they very rarely act on it. For those individuals, what they gain at the end of their lives is a tremendous amount of comfort knowing they have control. They may not follow through on the decision, but they gain the peace of mind that they have the control. For the small fraction of the people who get permission and act on it, the stories we heard from families and their loved ones about being able to fulfill a wish or watch someone they love fulfill a wish and have control over their own life or pain or suffering was incredibly compelling. This bill give people the ability to opt in. It does not tell anyone they need to do this; it does not coerce anyone, but for those who are interested, it gives them the comfort they want knowing a bit more about how their life will come to an end. That is something people deserve and something we should give them. I hope you will support this bill.

SENATOR SPEARMAN:

I was not going to speak, but I just received an email from a constituent who asked me to read the following statement into the record: "Good afternoon Senator Spearman, I just wanted to drop a note and say thank you for all you've been doing this past Session. The death-with-dignity bill

struck home with me. We were able to help my dear mom in California, ten years ago this month, through hospice, and given enough morphine, to pass with dignity and on her own terms, in her own bed, at home." This is what we heard in the Health and Human Services Committee—people who just did not want to be in pain. The testimony I heard and this email punctuates it and I am a firm "yes".

SENATOR CANNIZZARO:

I stand in support of Senate Bill No. 261. When my dad became very sick and we found out the cancer had metastasized and formed a tumor in his brain, we were told he would not have much time to live. I remember spending many days with him where, over time, he was unable to say my name, and he was unable to talk to any of us. In the last week and a half of his life, most of the time we spent with him was next to his bedside while he cried in pain. I remember when we were getting ready to take him to hospice, there was a brief moment where the pain had subsided enough and he turned to me and said, "I love you." Those were the last words my dad spoke to me. I cannot imagine making the decision to end my own life, should I be in that position, but I understand how terrible death can sometimes be when it comes to us, and sometimes we don't get to choose that or how it happens. I understand why someone would want to use the provisions in Senate Bill No. 261 to not go through what my dad went through and to not go through what our family went through. I do not think that my dad would have opted to leave this world sooner than he did, but there is a sincere sense of comfort for individuals who might want to make that choice. For those reasons, I stand in support of Senate Bill No. 261.

I took a long look at what has been occurring in states that have this sort of legislation, and I do not fear the same slippery slope. Giving this option to families, and the comfort it can provide to those who choose to do this, is something that I feel comfortable voting in favor of, and I urge my colleagues to vote in favor of this bill.

SENATOR MANENDO:

My father was very sick; he was 100 percent disabled from the Korean War. I never knew my dad to be healthy. My father could not throw a ball overhand; he had to toss it underhand to play ball with me. Watching my father get weaker and suffer over the years to the point where he was bedridden and depended completely on his family to bathe him, feed him, take care of toilet duties—he wanted to go. He prayed to go. Many times, I would sit with him in the bedroom and we would watch UNLV basketball. He would fall asleep, and I would wake him up for the second half. Before he woke up, he would always call out to his mom. That was always a warming feeling because I knew he was calling out for his mom to come and get him, but this went on for years and years of seeing him suffer. He was bedridden, praying to go and had no option. He suffered like I have seen no one else suffer. His elbows were as big as your knees he was so arthritic. Seeing somebody you love and care for suffer for so many years—there has to be another way. There are a lot of seniors in my district, and we talk about this issue a lot. They feel this is a reasonable piece of legislation. I urge my colleagues to vote in favor of Senate Bill No. 261.

SENATOR PARKS:

We often hear the opposition talk about the issue of the slippery slope, and in most cases, that is nothing more than a red herring. In the years Oregon and other states have had their legislation in place, there have been no proven cases of abuse or coercion. I will close by using the words of Brittany Maynard, "I am not ending my life; cancer is ending my life." The Hippocratic Oath says nothing about suffering.

Roll call on Senate Bill No. 261:

YEAS—11.

NAYS—Denis, Ford, Gansert, Gustavson, Hammond, Hardy, Harris, Kieckhefer, Roberson, Settelmeyer—10.

Senate Bill No. 261 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 5.

Bill read third time.

Remarks by Senator Parks.

Assembly Bill No. 5 authorizes a local government to create a local improvement district that includes an energy-efficiency improvement project or a renewable-energy project on certain commercial or industrial real property. The bill also requires a local government to obtain signed consent from the owner of any tract on which an energy-efficiency improvement project or renewable-energy project will be located and from certain lenders who hold a mortgage or other lien on a property on which such a project will be located. Further, the bill provides a procedure for an owner of a tract to object to the inclusion of the tract within a district. Finally, the bill establishes requirements for the proceeds of bonds used to pay certain costs related to an energy-efficiency improvement project or a renewable-energy project and revises requirements for the interest rate of bonds sold to defray certain costs for local improvement districts.

Roll call on Assembly Bill No. 5:

YEAS—21.

NAYS—None.

Assembly Bill No. 5 having received a constitutional majority,  
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 41.

Bill read third time.

Remarks by Senator Parks.

Assembly Bill No. 41 makes changes to the qualifications for and classifications of various positions in State government. Among other provisions, the bill provides that the Administrator of the State Public Works Division of the Department of Administration may be a licensed professional engineer or registered architect as an alternative requisite qualification; provides for the appointment of individuals to the State Public Works Board who were previously licensed as a general building contractor or general engineering contractor in this State; changes the position of Administrator of the State Library, Archives and Public Records from classified to an unclassified position; requires the Director of the Department of Health and Human Services (DHHS), to the extent practicable, to give preference to a person who has a degree in public administration, business administration or a related field when hiring for the position of Administrator of the Division of Health Care Financing and Policy; and provides that in order to qualify for the position of Administrator of the Division of Internal Audits of the Office of Finance, a person may be a certified internal auditor or government auditing professional or have a master's degree in business administration, accounting, finance or a related field and must have at least six years of certain professional experience. Finally, the bill permits the Chief Medical Officer, with the approval of the Director of the DHHS, to maintain a clinical practice that is not established through the University of Nevada.

Roll call on Assembly Bill No. 41:

YEAS—21.

NAYS—None.

Assembly Bill No. 41 having received a constitutional majority,  
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 46.

Bill read third time.

**Remarks by Senator Ratti.**

Assembly Bill No. 46 imposes certain requirements for community-based living arrangement services provided to persons with a mental illness or related conditions. The measure requires a person, government or governmental agency to obtain a certificate from the Division of Public and Behavioral Health of the Department of Health and Human Services before providing community-based living arrangement services. The State Board of Health and the Division are authorized to enforce requirements set forth in applicable statutory provisions or adopted regulations.

The bill clarifies that a home in which community-based living arrangement services or supported living arrangement services are provided does not constitute a residential facility for groups or a home for individual residential care subject to regulation as such. Similarly, entities that provide temporary respite services are not subject to regulation as agencies providing personal-care services in the home.

Finally, Assembly Bill No. 46 requires any person or entity that determines the placement of a person with a mental illness or a person with a related condition to consider the ability of a facility or provider of services to meet the person's needs and ensure his or her safety.

**Roll call on Assembly Bill No. 46:**

YEAS—21.

NAYS—None.

Assembly Bill No. 46 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

**Assembly Bill No. 68.**

Bill read third time.

**Remarks by Senator Hammond.**

Assembly Bill No. 68 makes various changes to transportation and public safety. The bill removes the requirement that the photograph on a driver's license be in color; adds to current acts or practices for which the Department of Motor Vehicles (DMV) can refuse to issue a license for operating a driving school and requires that a vehicle be inspected within 30 days after initial use by the school; clarifies the fees for a person 65 years of age or older who applies for an identification card; removes the authorization for the DMV to issue a nonresident commercial driver's license or learner's permit to a resident of a foreign jurisdiction that the Federal Highway Administrator has determined does not test drivers and issue commercial drivers' licenses in accordance with federal standards; allows for advertising on certain structures, and provides that if a driver refuses to sign a traffic citation, the act of receiving the citation from a peace officer is deemed notice of a requirement to appear in court.

**Roll call on Assembly Bill No. 68:**

YEAS—21.

NAYS—None.

Assembly Bill No. 68 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

**Assembly Bill No. 76.**

Bill read third time.

**Remarks by Senator Harris.**

Assembly Bill No. 76 revises provisions governing the Central Repository for Nevada Records of Criminal History. The measure clarifies the authority of the Central Repository to inspect certain sealed records in accordance with federal laws and regulations. Biometric identifiers, such



as a fingerprint, palm print, scar, bodily mark, tattoo, voiceprint, and facial, retina or iris image of a person are included as part of a record of criminal history. Certain reporting requirements are changed including the elimination of data collected and maintained that deals with the delinquency of children and establishes reporting requirements in compliance with the policies, procedures and definitions of the Uniform Crime Reporting Program of the Federal Bureau of Investigation.

The measure adds a county coroner or medical examiner, as needed, to the list of persons and governmental entities that may conduct a death investigation and to whom records of criminal history must be disseminated. Certain members of the press are also added to the list of persons to whom these records must be disseminated. The time period during which the Central Repository may not charge a fee for providing information that had previously been provided on a person is reduced from six months to 90 days. The name "Revolving Account to Investigate the Background of Volunteers who Work with Children" is changed to the "Revolving Account to Process Requests for Information on the Background of Volunteers Who Work with Children." In addition, procedures are clarified for processing requests from agencies for volunteer background information. The bill also clarifies that all reports of the abuse, neglect, exploitation, isolation or abandonment of older persons in this State are included within the record of the Repository for Information Concerning Crimes Against Older Persons. Finally, certain provisions governing the dissemination of information included in federal laws are repealed from Nevada's statutes.

Roll call on Assembly Bill No. 76:

YEAS—20.

NAYS—Gustavson.

Assembly Bill No. 76 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 126.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 126 abolishes two entities: the Advisory Committee on Housing and the Subcommittee on Personal Assistance for Persons with Severe Functional Disabilities of the Nevada Commission on Services for Persons with Disabilities.

Roll call on Assembly Bill No. 126:

YEAS—21.

NAYS—None.

Assembly Bill No. 126 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 148.

Bill read third time.

Remarks by Senator Goicoechea.

Assembly Bill No. 148 increases the criminal penalty for a notary public who willfully violates the restrictions on advertising his or her services or violates the prohibition against using certain terms on an advertisement if he or she is not a licensed attorney. This bill increases the penalty from a gross misdemeanor to a category D felony if the offense causes irreparable harm. Similarly, the penalty for willfully violating the provisions governing document-preparation services is increased from a misdemeanor to a category D felony if the offense results in irreparable harm to a client.

Roll call on Assembly Bill No. 148:

YEAS—21.

NAYS—None.

Assembly Bill No. 148 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Atkinson moved that Assembly Bill No. 179 be taken from the General File and placed on the Secretary's desk.

Motion carried.

#### GENERAL FILE AND THIRD READING

Assembly Bill No. 188.

Bill read third time.

Remarks by Senators Harris and Kieckhefer.

#### SENATOR HARRIS:

Assembly Bill No. 188 makes various changes to provisions governing the Silver State Opportunity Grant Program. Specifically, the bill changes from 15 to 12 the minimum number of credit hours in which a student must enroll in order to be eligible for the Program and extends eligibility to students who are enrolled in fewer than 12-credit hours during their final semester of study in a program. This is critical because it allows those students who have less than 12-credit hours to continue to get their aid so they can finish their program.

The bill additionally allows a student to request from his or her college a waiver from the credit-hour requirement in cases of hardship; allows a student who has lost eligibility due to the credit-hour requirement to regain eligibility if he or she satisfies that requirement in a subsequent semester while not receiving the grant; specifies that if a student who has lost eligibility due to the credit-hour requirement fails to meet the requirement a second time, he or she is no longer eligible, and provides that money allocated to a college for the Program does not revert and any remaining amount must be carried forward to provide future grants for students.

My children are in this age group, and I have a daughter who struggles to maintain employment and her credit-hour load. Relaxing credit hours is a complicated issue and a sensitive issue for some members of this Body, but I can speak from personal experience to let those students have the flexibility to go to 12-credit hours so they can continue their employment, living life as well as gaining an education, is important and a good piece of policy. I urge your support for the measure.

#### SENATOR KIECKHEFER:

I rise in opposition to Assembly Bill No. 188. I had the honor to sponsor the bill last Session that created the Silver State Opportunity Grant Program. It was designed to do one specific thing, incentivize people to attend school fulltime. It was not designed to be a financial aid program or a panacea that helps everybody. It was designed to incentivize people who are taking 12 credits into taking 15 credits. Why do we want them to do this? When people take 15 credits, they are twice as likely to graduate from college as someone who is only taking 12 credits. There are, of course, exceptions to the rule, but the bill was designed to do something to get more people to graduate from college and into the workforce, climbing the economic ladder. It is successfully doing that. It is still in its second year of implementation, and here, we are already changing it and trying to make it more expansive and apply to more people when we do not have the money to budget what it was originally designed to do. I encourage my colleagues to vote "no".

Roll call on Assembly Bill No. 188:

YEAS—14.

NAYS—Gansert, Goicoechea, Gustavson, Hardy, Kieckhefer, Roberson, Settelmeyer—7.

Assembly Bill No. 188 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 204.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 204 allows applicants for a marriage license and certificate to select the name that he or she would like to be known as after marriage. Additionally, the bill sets forth the names that each spouse may select.

Roll call on Assembly Bill No. 204:

YEAS—21.

NAYS—None.

Assembly Bill No. 204 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 219.

Bill read third time.

Remarks by Senator Segerblom.

Assembly Bill No. 219 declares the historic and current importance of the gaming industry to Nevada, declares the value of both heritage tourism and redevelopment and creates the Historic Las Vegas Gaming District. The bill also sets forth the boundaries of the District and requirements relating to how a property within the District may be deemed a "qualified parcel."

This bill creates a historic gaming district in downtown Las Vegas which many people think should have been one already, but because, the parcel ownership was never able to have been done before. This will help with the redevelopment of downtown Las Vegas.

Roll call on Assembly Bill No. 219:

YEAS—21.

NAYS—None.

Assembly Bill No. 219 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 241.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 241 requires each governmental entity to include in its building code a requirement that every permanent building or facility used by the public that has a public restroom and is constructed on or after October 1, 2017, must be equipped with one or more baby changing tables accessible to men and women. The bill also requires a county or city that has no building code to adopt this requirement by ordinance. Finally, the bill provides that the building code or ordinance, as applicable, must provide an exception for any building or facility that does not have a public restroom or has been issued a permit or license that restricts admission of children to the building or facility on the basis of age.

Roll call on Assembly Bill No. 241:

YEAS—21.

NAYS—None.

Assembly Bill No. 241 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 243.

Bill read third time.

Remarks by Senator Cannizzaro.

Assembly Bill No. 243 allows a court to grant a motion to vacate a judgment of conviction and seal the records of a victim of sex trafficking or involuntary servitude. The measure sets forth the procedure for vacating the judgment of conviction and requires the court to notify the Central Repository for Nevada Records of Criminal History, the Office of the Attorney General, and each office of the district attorney and law enforcement agency in this State before deciding to grant a petition.

The court is authorized to enter an order to vacate a judgment of conviction if the petitioner satisfies all requirements necessary for the judgment to be vacated, but the petition is deficient with respect to the sealing of the petitioner's record. If the court enters such an order, then the court is also required to order the sealing of the petitioner's records that relate to the judgment being vacated.

Roll call on Assembly Bill No. 243:

YEAS—21.

NAYS—None.

Assembly Bill No. 243 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 246.

Bill read third time.

Remarks by Senator Manendo.

Assembly Bill No. 246 extends the authority of two or more counties to create an improvement district for the acquisition of certain projects, including a park project, street project or commercial-area vitalization project, and to finance the cost of any such project through the issuance of bonds and the levy of assessments upon property in the improvement district. The bill similarly authorizes the governing bodies of two or more municipalities whose boundaries are contiguous to enter into an agreement to create a tax-increment area for the acquisition or improvement of a project whose boundaries encompass all or part of each municipality.

Roll call on Assembly Bill No. 246:

YEAS—21.

NAYS—None.

Assembly Bill No. 246 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 251.

Bill read third time.

Remarks by Senator Segerblom.

Assembly Bill No. 251 authorizes the State Board of Pardons Commissioners to commute a sentence of death or imprisonment in the State prison for life without the possibility of parole to a sentence that would allow parole if a person is convicted of any crime that the person committed when he or she was less than 18 years of age.

Roll call on Assembly Bill No. 251:

YEAS—21.

NAYS—None.

Assembly Bill No. 251 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 253.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 253 revises various provisions governing mental-health adjudications. The bill requires a court to conduct a hearing as soon as practicable if an application for a writ of habeas corpus is made before the initial hearing on a petition for the involuntary court-ordered admission of a person who has or is alleged to have a mental illness to a mental-health facility or a program of community-based or outpatient services.

In addition, the measure revises the definition of a "person with mental illness" to clarify that the person presents a clear and present danger of harm to himself or herself if there is a reasonable probability that the person will harm himself or herself unless required to participate in a program of community-based or outpatient services. The physician or psychologist who examines and evaluates a person who has been involuntarily admitted to a mental-health facility or certain other services is required to submit a written summary of findings and evaluation 24 hours before the hearing on the petition. The court must transmit a record of the order to each law enforcement agency of this State with which the court has entered into an agreement for such transmission for inclusion in certain databases. Finally, the bill establishes a procedure for a public or private hospital or a mental-health facility to request and obtain a copy of a court order of involuntary admission that relates to a person alleged to be a person with mental illness who has been admitted to the hospital or facility.

Roll call on Assembly Bill No. 253:

YEAS—21.

NAYS—None.

Assembly Bill No. 253 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 259.

Bill read third time.

Remarks by Senator Segerblom.

Assembly Bill No. 259 provides for the vacating of certain judgments of conviction and sealing of records related to marijuana. If a person is convicted of a misdemeanor for the possession of one ounce or less of marijuana or other certain offenses involving marijuana, the person may petition the court to vacate the judgment and seal all documents relating to the case. Since January 1, 2017, it has become legal to have less than one ounce of marijuana in your possession at any time if you are over 21. This bill allows people who had a previous conviction before the law was changed to seal their records, if they so desire.

Roll call on Assembly Bill No. 259:

YEAS—12.

NAYS—Gansert, Goicoechea, Gustavson, Hammond, Hardy, Harris, Kieckhefer, Roberson, Settelmeyer—9.

Assembly Bill No. 259 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 260.

Bill read third time.

Remarks by Senators Cannizzaro and Gansert.

SENATOR CANNIZZARO:

Assembly Bill No. 260 revises the provisions and penalties for certain acts relating to prostitution. The measure authorizes a justice of the peace or municipal judge to suspend the sentence of a person who is convicted of a misdemeanor that constitutes solicitation for prostitution on the condition that the person actively participates in a treatment program for persons who solicit prostitution and complies with any other conditions ordered by the justice of the peace or municipal judge.

The measure provides that a prostitute who engages in prostitution or solicitation for prostitution under certain circumstances is guilty of a misdemeanor. A customer who is found guilty of engaging in prostitution or soliciting prostitution must pay a mandatory fine based on the number of times the customer has been found guilty.

In addition to any other penalty imposed, the court is required to impose a civil penalty on a customer who is found guilty of such an offense. All civil penalties collected are to be used for enforcing certain crimes relating to solicitation for prostitution and certified treatment programs for persons who solicit prostitution. Community service may be performed in lieu of all or partial payment of the civil penalty.

The court is authorized to discharge the person and dismiss the proceedings against the person upon the person's fulfilling the terms and conditions of the treatment program. The discharge and dismissal may only occur once. In addition, the discharge and dismissal is without adjudication of guilt and is not a conviction for the purposes of employment, civil rights or other certain purposes. However, the discharge and dismissal is considered a conviction for the purpose of additional penalties imposed for second or subsequent convictions or for the setting of bail. Lastly, the court is required to seal all records, without a hearing, if the person is discharged and the proceedings against the person are dismissed.

SENATOR GANSERT:

I rise in support of Assembly Bill No. 260. The fastest growing global criminal industry is sex trafficking with revenue of \$150 billion annually. There is a national hotline for trafficking and in 2016 it received over 30,000 calls, with the highest number per capita originating from Nevada. This bill is different from other bills we have seen in that it targets the men, someone who is arrested as a purchaser of sex could have their sentence suspended if they were sent to a treatment program. This is something new, and it could impact the purchasers of sex. There is also a civil penalty imposed to help support these treatments. I support this bill because I am hopeful it will impact sex trafficking in this State.

Roll call on Assembly Bill No. 260:

YEAS—21.

NAYS—None.

Assembly Bill No. 260 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 277.

Bill read third time.

Remarks by Senators Parks, Goicoechea, Harris and Kieckhefer.

SENATOR PARKS:

Assembly Bill No. 277 establishes uniform Statewide standards for land use planning, subdivision regulation and zoning with regard to certain lands, within or surrounding any national conservation areas in Nevada. Among other provisions, the bill also creates "natural resources overlay lands," defined as all parcels located within the boundary of any national conservation area in this State or not more than one-half mile outside the boundary of any national conservation area; requires a developer to prepare an environmental impact statement for proposed developments on natural resources overlay lands, and requires a local government to post the environmental impact statement on its website at least 15 calendar days prior to holding a public hearing to take final action on a proposed development. Any lands that, on the effective date of this bill, are owned wholly and exclusively by certain tax-exempt nonprofit organizations are exempt from the provisions of this bill, unless on or after the effective date of this bill, any interests in the lands are sold, transferred, conveyed or otherwise alienated to any person who is not such a nonprofit organization. Finally, the bill repeals certain provisions of the Spring Mountains National Recreation Area Act and the Red Rock Canyon Conservation Area and Adjacent Lands Act.

SENATOR GOICOECHEA:

If a person wanted to pull a permit for a garage or a home in the buffer zone, would that trigger a need for an Environmental Impact Study (EIS)?

SENATOR PARKS:

I am not certain; it did not come up during discussion on the bill.

SENATOR GOICOECHEA:

I supported this bill coming out of Committee, but I have reservations. If one has to comply with an EIS to do a remodel or an addition or add a garage in the buffer zone, that would preclude one from going forward. I am concerned about imposing an EIS on someone, especially in the City of North Las Vegas. If we cannot get that clarified, I will have to oppose the bill.

SENATOR HARRIS:

I have been communicating with the sponsor of the bill on the Assembly side. Per Assemblyman Yeager, the answer to your question is that an EIS would be required only if a person has to go in front of the county commission or city council for the final action on the request. To the extent it is a minor improvement on the property, they would not have to do an EIS. But, if it is something significant, such as building a guest house or casita or other major property improvement, they would have to go in front of the county commission or city council and would have to do some sort of EIS.

SENATOR KIECKHEFER:

I share the concerns of my colleague regarding personal property rights. I read this to say there is nothing that would preclude this process from an individual property owner who wanted to do a project on a small parcel. It is a trigger based on final action by local government, but many times that can be grading permit or something that ultimately gets approved by the local government. This bill encroaches on individual property rights.

Roll call on Assembly Bill No. 277:

YEAS—14.

NAYS—Gansert, Goicoechea, Gustavson, Hardy, Kieckhefer, Roberson, Settelmeyer—7.

Assembly Bill No. 277 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 292.

Bill read third time.

Remarks by Senator Gustavson.

Assembly Bill No. 292 changes, from 6 p.m. to the close of a school's office hours, the deadline by which a school must notify the parent or guardian of a student involved in an incident of bullying. The bill also requires a principal or his or her designee to submit a monthly report to the principal's direct supervisor regarding bullying incidents. A similar report must be submitted each quarter by the principal's supervisor to the Office for a Safe and Respectful Learning Environment. Finally, Assembly Bill No. 292 requires a school district board of trustees to assign a bullied student to another school upon request from the student's parent or guardian.

Roll call on Assembly Bill No. 292:

YEAS—21.

NAYS—None.

Assembly Bill No. 292 having received a constitutional majority,  
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 299.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 299 requires the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs to conduct a study during the 2017–2018 Interim concerning standards of training for unlicensed persons who provide care at certain facilities or homes or through certain agencies. In addition, the bill requires the Committee to study the creation of a competency evaluation for a person who receives such training concerning the provision of care.

Roll call on Assembly Bill No. 299:

YEAS—21.

NAYS—None.

Assembly Bill No. 299 having received a constitutional majority,  
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 304.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 304 requires the Autism Treatment Assistance Program within the Aging and Disabilities Services Division of the Department of Health and Human Services to provide and coordinate services for certain individuals who are "diagnosed or determined" to have an autism spectrum disorder. In addition, the measure revises the definition of the term "autism spectrum disorder" to mean a condition that meets the diagnostic criteria for autism spectrum disorder published in the current edition of the *Diagnostic and Statistical Manual of Mental Disorders* published by the American Psychiatric Association or the edition of the Manual that was in effect at the time the condition was diagnosed or determined. In addition, Assembly Bill No. 304 requires certain health insurers to reimburse an early-intervention agency that performs certain services related to screening for and diagnosis and treatment of autism spectrum disorders to certain young people covered by the insurer.

Roll call on Assembly Bill No. 304:

YEAS—21.

NAYS—None.



Assembly Bill No. 304 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senator Ford moved that the Senate recess until 2:30 p.m.

Motion carried.

Senate in recess at 12:58 p.m.

#### SENATE IN SESSION

At 2:38 p.m.

President Hutchison presiding.

Quorum present.

Assembly Bill No. 339.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 339 makes changes to certain requirements of the Board of Medical Examiners and the professionals it regulates. The bill authorizes the Board to take possession of a licensee's records in the event of the death, disability, incarceration or other incapacitation leaving the licensee unable to continue to practice. The bill requires the Board to adopt policies and procedures relating to the placement of information on its website and clarifies that each applicant for a license must submit a complete set of fingerprints to the Board. In addition, the measure provides that any communication between the Board of Medical Examiners or the State Board of Osteopathic Medicine and the Interstate Medical Licensure Compact Commission relating to verification of a physician's eligibility under the Compact must not include any information received by either Board in a report from the Federal Bureau of Investigation relating to a state and federal criminal records check. Finally, Assembly Bill No. 339 revises certain requirements related to the reporting of sentinel events arising from certain surgeries.

Roll call on Assembly Bill No. 339:

YEAS—19.

NAYS—None.

ABSENT—Kieckhefer, Spearman—2.

Assembly Bill No. 339 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 356.

Bill read third time.

Remarks by Senator Cannizzaro.

Assembly Bill No. 356 requires a judge to present a jury with a charge submitted by either party in a case if the judge believes the charge is both pertinent and an accurate statement of the law, regardless of whether the charge has been adopted as a model jury instruction.

Roll call on Assembly Bill No. 356:

YEAS—20.

NAYS—None.

ABSENT—Kieckhefer.

Assembly Bill No. 356 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 361.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 361 specifies that a person commits a deceptive trade practice if, in the course of his or her business or occupation, the person charges a fee to update or change a person's records, including billing or credit information. Additionally, Assembly Bill No. 361 specifies a person may not, in the course of his or her occupation, offer a free gift certificate or gift card as part of a promotion or incentive to potential customer, that is redeemable only by mail, unless the expiration date of the offer is printed plainly and conspicuously on any written materials concerning the offer.

Roll call on Assembly Bill No. 361:

YEAS—20.

NAYS—None.

ABSENT—Kieckhefer.

Assembly Bill No. 361 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 372.

Bill read third time.

Remarks by Senator Harris.

Assembly Bill No. 372 repeals the Uniform Athletes' Agent Act that is currently in statute and enacts the Revised Uniform Athlete Agents Act. Among other provisions, this bill requires an athlete agent—defined in the bill as an individual who has certain direct or indirect interactions or relationships with a student athlete—to hold a certificate of registration issued by the Secretary of State.

The bill specifies certain information that must be included in the application for such a certificate and also provides for reciprocal registration if an individual is registered as an athlete agent in another state. The Secretary of State may limit, suspend, revoke or refuse to issue or renew a certificate of registration in certain instances.

Assembly Bill No. 372 further sets standards for the behavior of an athlete agent and provides that an agent who violates these standards is guilty of a misdemeanor and must pay restitution. The bill allows an educational institution or student athlete to bring an action for damages against an athlete agent in certain circumstances.

Finally, Assembly Bill No. 372 requires certain information to be included in an agreement in which a student athlete authorizes a person to negotiate or solicit on his or her behalf a professional sports services contract or endorsement contract. The student athlete may cancel such an agreement within 14 days after it is signed, and both the student athlete and the athlete agent must provide notification of such an agreement to the athletic director of the educational institution where the athlete is enrolled. An athlete agent must also notify the athletic director of certain preexisting relationships with a student athlete and before communicating with a student athlete to influence him or her to enter into an agreement.

Roll call on Assembly Bill No. 372:

YEAS—21.

NAYS—None.

Assembly Bill No. 372 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 381.

Bill read third time.

Remarks by Senator Spearman.

Assembly Bill No. 381 prohibits certain health insurers from moving a prescription drug from a lower cost tier to a higher cost tier within their formulary under certain circumstances. The bill provides that for individual plans, a drug may be moved from a lower tier to a higher tier on January 1 of a calendar year and for small-employer plans, on January 1 and July 1 of a calendar year, with certain exceptions. Such an insurer may add or remove a drug from a formulary at any time. However, a pharmacist who is authorized or required, may substitute a generic drug for a drug prescribed by brand name or an interchangeable biological product for a biological product prescribed by brand name.

Roll call on Assembly Bill No. 381:

YEAS—21.

NAYS—None.

Assembly Bill No. 381 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 410.

Bill read third time.

Remarks by Senator Hammond.

Assembly Bill No. 410 authorizes a new vehicle dealer that is franchised to sell vehicles of the manufacturer to apply to the manufacturer for compensation for each month that the dealer possesses a used vehicle that is subject to a stop-sale order or do-not-drive order. The bill requires the new vehicle dealer to file a claim for compensation with the manufacturer. The compensation must be calculated at a rate of not less than one percent of the value of the used vehicle for each month that the used vehicle is in the inventory of the dealer, beginning 30 days after the stop-sale or do-not-drive order is provided to the dealer. A do-not-drive order must include instruction to the recipient of the order to not drive the vehicle until the remedy for the recall is complete.

The bill also prohibits a manufacturer from taking certain actions to offset or reduce the amount of compensation owed to the dealer. The bill adds recall service and repair to the list of items for which a manufacturer must fairly compensate a dealer. Lastly, the bill adds various measures to seek injunctive relief for violations of provisions in the bill.

Roll call on Assembly Bill No. 410:

YEAS—21.

NAYS—None.

Assembly Bill No. 410 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 424.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 424 requires that a determination of brain death be made in accordance with the guidelines set forth in *"Evidence-based Guideline Update: Determining Brain Death in Adults:*

*Report of the Quality Standards Subcommittee of the American Academy of Neurology,*" published by the American Academy of Neurology on June 8, 2010, or subsequent revisions approved by the Academy; or *"Guidelines for the Determination of Brain Death in Infants and Children: An Update of the 1987 Task Force Recommendations,"* published by the Pediatric Section of the Society of Critical Care Medicine or subsequent revisions approved by the Pediatric Section.

Consent from the person's authorized representative or authorized family member is not required to make a determination of brain death. However, the bill requires reasonable efforts to be made to inform the person's family or authorized representative of such a determination. The measure prohibits withdrawal of organ-sustaining treatment from a person determined to be brain dead if that person is pregnant and it is probable that the pregnancy will result in a live birth with continued use of organ-sustaining treatment; or is an organ donor.

Finally, the bill requires the health-care facility to inform the person's family or authorized representative that the cost for continued administration of organ-sustaining treatment for the person declared brain dead may become the responsibility of the person's estate or family.

Roll call on Assembly Bill No. 424:

YEAS—21.

NAYS—None.

Assembly Bill No. 424 having received a constitutional majority,  
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 449.

Bill read third time.

Senator Atkinson moved that Assembly Bill No. 449 be taken from the  
General File and placed on the Secretary's desk.

Motion carried.

Assembly Bill No. 477.

Bill read third time.

Remarks by Senator Goicoechea.

Assembly Bill No. 477 authorizes the Administrator of the Purchasing Division of the  
Department of Administration to appoint a General Counsel of the Division in the unclassified  
service who must be an attorney in good standing licensed and admitted to practice law in Nevada.

Roll call on Assembly Bill No. 477:

YEAS—21.

NAYS—None.

Assembly Bill No. 477 having received a constitutional majority,  
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 481.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 481 eliminates the requirement that the Administrator of the Division of  
Internal Audits of the Office of Finance appoint a Manager of Internal Controls.

Roll call on Assembly Bill No. 481:

YEAS—21.

NAYS—None.

Assembly Bill No. 481 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 483.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 483 transfers the administration of the Program to Encourage and Facilitate Purchases by Agencies of Commodities and Services From Organizations from the Rehabilitation Division of the Department of Employment, Training and Rehabilitation to the Purchasing Division of the Department of Administration.

Roll call on Assembly Bill No. 483:

YEAS—21.

NAYS—None.

Assembly Bill No. 483 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Joint Resolution No. 11.

Resolution read third time.

Remarks by Senator Settelmeyer.

Assembly Joint Resolution No. 11 urges the United States Congress to ensure that the Intermountain West Corridor will follow the existing U.S. Route 95 corridor through Mineral County.

Roll call on Assembly Joint Resolution No. 11:

YEAS—21.

NAYS—None.

Assembly Joint Resolution No. 11 having received a constitutional majority, Mr. President declared it passed, as amended.

Resolution ordered transmitted to the Assembly.

#### REMARKS FROM THE FLOOR

Senator Kieckhefer requested that his remarks be entered in the Journal.

I am in support of Assembly Bills Nos. 339, 356 and 361.

#### REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 898 to Assembly Bill No. 138.

KELVIN ATKINSON, *Chair*

#### SECOND READING AND AMENDMENT

Senate Bill No. 457.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 735.

SUMMARY—Provides for the award of college credit for military education, training and occupational experience. (BDR 34-1080)

AN ACT relating to postsecondary education; requiring the Board of Regents of the University of Nevada to consult with certain entities ~~to collaborate~~ to establish statewide standards for the awarding of credit for military education, training or occupational experience; requiring that credit earned by a student for military education, training or occupational experience be applicable toward the course work required for the award of a degree or certificate at a community college, state college or university in the Nevada System of Higher Education; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the Board of Regents of the University of Nevada to issue a diploma of graduation from the Nevada System of Higher Education upon the recommendation of a president of a branch within the System to students who complete the requirements for graduation and a degree. (NRS 396.560) This bill requires the Board of Regents or its designee ~~and the Commission on Postsecondary Education~~ to ~~collaborate~~ consult with the State approving agency designated pursuant to federal law and the American Council on Education to establish statewide standards for awarding credit for military education, training or occupational experience. This bill also requires that credit earned by a student for military education, training or occupational experience must be applicable toward the course work required of the student for the award of an associate's degree, baccalaureate degree or certificate at any university, state college or community college in the System.

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

Section 1. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board of Regents or its designee ~~and the Commission on Postsecondary Education created by NRS 394.383~~ shall ~~collaborate~~ in consultation with the State approving agency designated pursuant to 38 U.S.C. § 3671 and the American Council on Education, ~~to~~ establish statewide standards for awarding credit for military education, training or occupational experience. Such standards must include, without limitation, the:*

*(a) Identification of any military education, training or occupational experience listed on a Joint Services Transcript or an Air University or Community College of the Air Force transcript for which credit must be awarded;*

*(b) Amount of credit that will be awarded for the completion of such education, training or occupational experience; and*

*(c) Specific academic program in a community college, state college or university to which such credit is applicable.*

2. *Credit earned by a student for military education, training or occupational experience must be applicable toward the course work required of the student for the award of an associate's degree, baccalaureate degree or certificate at any university, state college or community college.*

Sec. 2. This act becomes effective on July 1, 2017.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

Amendment No. 735 to Senate Bill No. 457 removes the Commission on Postsecondary Education in the collaboration of establishing Statewide standards for awarding credit for military education, training or occupational experience; and adds a requirement for the Board of Regents to consult with Nevada's "State approving agency" designated pursuant to United States Code Title 38 in establishing Statewide standards for awarding credit for military education, training or occupational experience.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 507.

Bill read second time.

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

Amendment No. 654.

SUMMARY—Revises the interim committee structure of the Legislature. (BDR 17-1126)

AN ACT relating to the Legislature; providing for the establishment of Joint Interim Standing Committees of the Legislature; specifying the powers and duties of the Joint Interim Standing Committees; repealing various statutory committees; assigning certain powers and duties of repealed statutory committees to the Joint Interim Standing Committees; making various other changes relating to interim legislative activity; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes various committees on which Legislators serve throughout the biennium. (Chapter 218E of NRS, NRS 176.0123, 209.4817, 439B.200, 459.0085, 482.367004) This bill would repeal several of those committees and establish Joint Interim Standing Committees that parallel standing committees established by the Legislature during its biennial regular sessions. Section 6 of this bill establishes the Joint Interim Standing Committees and specifies their structure. Section 7 of this bill provides for meetings of the Committees. Section 8 of this bill authorizes the Committees to review matters within the jurisdiction of their corresponding standing committees and to conduct studies directed by the Legislature and the Legislative Commission, and requires the Committees to report to each session of the Legislature. Section 9 of this bill makes the sections of existing law governing the supplemental powers of interim committees applicable to the Joint Interim Standing Committees. Section 47 of this bill transfers the responsibilities of the Legislative Committee on Health Care to the Joint Interim Standing Committee on Health and Human Services. Section 51 of this bill ~~transfers~~ modifies the responsibilities ~~composition~~ of the Commission on Special License Plates to include the members of the Joint Interim Standing Committee on Transportation ~~it~~ , with the three nonvoting members

remaining on the Commission. Section 55 of this bill repeals the Advisory Commission on the Administration of Justice, the Committee on Industrial Programs, the Legislative Commission's standing committee to consult with the Director of the Legislative Counsel Bureau, ~~the Interim Retirement and Benefits Committee,~~ the Legislative Committee on Public Lands, ~~the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System,~~ the Legislative Committee on Education, the Legislative Committee on Child Welfare and Juvenile Justice, the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs, the Legislative Committee on Energy, the Legislative Committee on Health Care and the Committee on High-Level Radioactive Waste.

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

Section 1. Chapter 218A of NRS is hereby amended by adding thereto a new section to read as follows:

*"Joint Interim Standing Committee" means a Joint Interim Standing Committee created by section 6 of this act.*

Sec. 2. NRS 218A.003 is hereby amended to read as follows:

218A.003 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 218A.006 to 218A.090, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.

Sec. 3. NRS 218D.130 is hereby amended to read as follows:

218D.130 1. On July 1 preceding each regular session, and each week thereafter until the adjournment of the Legislature sine die, the Legislative Counsel shall prepare a list of all requests received by the Legislative Counsel for the drafting of legislative measures for the regular session.

2. The Legislative Counsel Bureau shall make copies of the list available to the public for a reasonable sum fixed by the Director.

3. In preparing the list:

(a) The requests must be listed numerically by a unique serial number which must be assigned to the legislative measures by the Legislative Counsel for the purposes of identification in the order that the Legislative Counsel received the requests.

(b) Except as otherwise provided in this section, the list must only contain the name of each requester, the date and a brief summary of the request.

(c) If a standing or special committee of the Legislature, including a Joint Interim Standing Committee, requests a legislative measure on behalf of a Legislator or organization, the list must include:

(1) The name of the ~~standing or special~~ committee; and

(2) The name of the Legislator or organization on whose behalf the legislative measure was originally requested.

4. Upon the request of a Legislator who has requested the drafting of a legislative measure, the Legislative Counsel shall add the name of one or more



other Legislators from either or both Houses as joint requesters of the legislative measure. The Legislative Counsel:

(a) Shall not add the name of a joint requester to the list until the Legislative Counsel has received confirmation of the joint request from the primary requester of the legislative measure and from the Legislator to be added as a joint requester.

(b) Shall remove the name of a joint requester upon receipt of a request to do so made by the primary requester or the joint requester.

(c) Shall cause the names to appear on the list in the order in which the names were received by the Legislative Counsel beginning with the primary requester.

(d) Shall not act upon the direction of a joint requester to withdraw the requested legislative measure or modify its substance until the Legislative Counsel has received confirmation of the withdrawal or modification from the primary requester.

5. If the primary requester of a legislative measure will not be returning to the Legislature for the regular session in which the legislative measure is to be considered:

(a) The primary requester may authorize a Legislator who will be serving during that regular session to become the primary sponsor of the legislative measure, either individually or as the chair on behalf of a standing committee.

(b) A Legislator who agrees to become or have the committee become the primary sponsor of the legislative measure shall notify the Legislative Counsel of that fact.

(c) Upon receipt of such notification, the Legislative Counsel shall list the name of that Legislator or the name of the committee as the primary requester of the legislative measure on the list.

6. For the purposes of all limitations on the number of legislative measures that may be requested by a Legislator:

(a) A legislative measure with joint requesters must only be counted as a request of the primary requester.

(b) A legislative measure for which a Legislator or standing committee becomes the primary sponsor pursuant to subsection 5 must be counted as a request of that Legislator or committee.

Sec. 4. NRS 218D.160 is hereby amended to read as follows:

218D.160 1. The Chair of the Legislative Commission may request the drafting of not more than 10 legislative measures before the first day of a regular session, with the approval of the Legislative Commission, which relate to the affairs of the Legislature or its employees, including legislative measures requested by the legislative staff.

2. The Chair of the Interim Finance Committee may request the drafting of not more than 10 legislative measures before the first day of a regular session, with the approval of the Committee, which relate to matters within the scope of the Committee.

3. Except as otherwise provided by a specific statute, joint rule or concurrent resolution ~~of~~ *of the Legislature:*

(a) *A Joint Interim Standing Committee may request the drafting of not more than 10 legislative measures which relate to matters within the scope of the Committee.*

(b) Any legislative committee created by a statute, other than an interim legislative committee, may request the drafting of not more than 10 legislative measures which relate to matters within the scope of the committee.

~~[(b)]~~ (c) Any committee or subcommittee established by an order of the Legislative Commission pursuant to NRS 218E.200 may request the drafting of not more than 5 legislative measures which relate to matters within the scope of the study or investigation, except that such a committee or subcommittee may request the drafting of additional legislative measures if the Legislative Commission approves each additional request by a majority vote.

~~[(c)]~~ (d) Any other committee established by the Legislature which conducts an interim legislative study or investigation may request the drafting of not more than 5 legislative measures which relate to matters within the scope of the study or investigation.

➔ The requests authorized pursuant to this subsection must be submitted to the Legislative Counsel on or before September 1 preceding a regular session unless the Legislative Commission authorizes submitting a request after that date.

4. Each request made pursuant to this section must be on a form prescribed by the Legislative Counsel.

5. The Legislative Counsel shall not assign a number to a request for the drafting of a legislative measure submitted pursuant to this section to establish the priority of the request until sufficient detail has been received to allow complete drafting of the legislative measure.

Sec. 5. Chapter 218E of NRS is hereby amended by adding thereto the provisions set forth as sections 6, 7 and 8 of this act.

Sec. 6. 1. *There are hereby created the following Joint Interim Standing Committees of the Legislature:*

- (a) *Commerce, Labor and Energy;*
- (b) *Education;*
- (c) *Government Affairs;*
- (d) *Health and Human Services;*
- (e) *Judiciary;*
- (f) *Legislative Operations and Elections;*
- (g) *Natural Resources, Agriculture and Mining;*
- (h) *Revenue and Taxation; and*
- (i) *Transportation.*

2. *Each Joint Interim Standing Committee consists of eight regular members and five alternate members. As soon as is practicable following the adjournment of each regular session of the Legislature:*

(a) *The Speaker of the Assembly shall appoint three members of the Assembly as regular members of each Committee and two members of the Assembly as alternate members of each Committee.*

(b) *The Minority Leader of the Assembly shall appoint two members of the Assembly as regular members of each Committee and one member of the Assembly as an alternate member of each Committee.*

(c) *The Majority Leader of the Senate shall appoint two Senators as regular members of each Committee and one Senator as an alternate member of each Committee.*

(d) *The Minority Leader of the Senate shall appoint one Senator as a regular member of each Committee and one Senator as an alternate member of each Committee*

3. *Before making their respective appointments, the Speaker of the Assembly, the Majority Leader of the Senate and the Minority Leaders of the Senate and Assembly shall consult so that, to the extent practicable:*

(a) *At least five regular members appointed to each Joint Interim Standing Committee served on the corresponding standing committee or committees during the preceding regular session of the Legislature.*

(b) *Not more than five regular members appointed to each Joint Interim Standing Committee are members of the same political party.*

4. *The Legislative Commission shall select the Chair and Vice Chair of each Joint Interim Standing Committee from among the members of the Committee. The Chair must be appointed from one House of the Legislature and the Vice Chair from the other House. The position of Chair must alternate each biennium between the Houses of the Legislature. Each of those officers holds the position until a successor is appointed following the next regular session of the Legislature. If a vacancy occurs in the position of Chair or Vice Chair, the vacancy must be filled in the same manner as the original selection for the remainder of the unexpired term.*

5. *The membership of any member of a Joint Interim Standing Committee who does not become a candidate for reelection or who is defeated for reelection terminates on the day next after the general election. The Speaker designate of the Assembly or the Majority Leader designate of the Senate, as the case may be, may appoint a member to fill the vacancy for the remainder of the unexpired term.*

6. *Vacancies on a Joint Interim Standing Committee must be filled in the same manner as original appointments.*

Sec. 7. 1. *Except as otherwise ordered by the Legislative Commission, the members of a Joint Interim Standing Committee shall meet not earlier than November 1 of each odd-numbered year and not later than August 31 of the following even-numbered year at the times and places specified by a call of the Chair or a majority of the Committee.*

2. *The Director of the Legislative Counsel Bureau or his or her designee shall act as the nonvoting recording Secretary of each Joint Interim Standing Committee.*

3. *Five members of a Joint Interim Standing Committee constitute a quorum, and a quorum may exercise all the power and authority conferred on a Committee, except that any recommended legislation proposed by a Committee must be approved by a majority of members of the Senate and a majority of members of the Assembly serving on the Committee.*

4. *Except during a regular or special session of the Legislature, for each day or portion of a day during which a member of a Joint Interim Standing Committee attends a meeting of the Committee or is otherwise engaged in the work of the Committee, 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 and employees generally; and*

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

➡ *The compensation, per diem allowances and travel expenses of the members of a Committee must be paid from the Legislative Fund.*

Sec. 8. 1. *A Joint Interim Standing Committee may:*

(a) *Evaluate and review issues within the jurisdiction of the corresponding standing committee or committees from the preceding regular session of the Legislature;*

(b) *Exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive; and*

(c) *Within the limits of the Committee's budget, conduct studies directed by the Legislature or the Legislative Commission.*

2. *The Legislative Commission shall review and approve the budget and work program of each Joint Interim Standing Committee and any changes to the budget or work program.*

3. *A Joint Interim Standing Committee shall prepare a comprehensive report of the Committee's activities in the interim and its findings and any recommendations for proposed legislation. The report must be submitted to the Director of the Legislative Counsel Bureau for distribution to the ensuing session of the Legislature.*

Sec. 9. NRS 218E.110 is hereby amended to read as follows:

218E.110 1. "Committee" means the Legislative Commission, a Joint Interim Standing Committee and any other legislative committee or subcommittee created by a specific statute, concurrent resolution or order of the Legislative Commission to conduct studies or investigations or perform any other legislative business during the legislative interim.

2. The term does not include any legislative committee or subcommittee appointed by the Legislature or either House to conduct or perform legislative business during a regular or special session, including, without limitation, any joint, standing, temporary, special or select committee or committee of the whole.

Sec. 10. NRS 218E.185 is hereby amended to read as follows:

218E.185 1. In the discharge of any duty imposed or power conferred by

this title or any law or resolution, the Legislative Commission may exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive.

2. The Legislative Commission may delegate its authority pursuant to subsection 1 to a subcommittee or interim or special committee, *including a Joint Interim Standing Committee*, established pursuant to NRS 218E.200.

Sec. 11. NRS 218E.200 is hereby amended to read as follows:

218E.200 1. The Legislative Commission may conduct studies or investigations concerning governmental problems, important issues of public policy or questions of statewide interest ~~[-]~~ *or may assign such studies or investigations to a Joint Interim Standing Committee.*

2. The Legislative Commission may establish subcommittees and interim or special committees as official agencies of the Legislative Counsel Bureau to conduct such studies or investigations or otherwise to deal with such governmental problems, important issues of public policy or questions of statewide interest ~~[-]~~ *or may assign such matters to a Joint Interim Standing Committee.* The subcommittees and interim or special committees may exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive.

3. The membership of ~~the~~ *any* subcommittees and interim or special committees ~~[-]~~ *established pursuant to subsection 2:*

(a) Must be designated by the Legislative Commission; and

(b) May consist of members of the Legislative Commission and Legislators other than members of the Legislative Commission, employees of the State of Nevada or citizens of the State of Nevada.

4. For each day or portion of a day during which *the* members of ~~the~~ *any* subcommittees and interim or special committees *established pursuant to subsection 2* who are not Legislators attend meetings or are otherwise engaged in the business of the subcommittees and interim or special committees, the members:

(a) Shall serve without salary.

(b) Are entitled to receive out of the Legislative Fund the per diem allowances and travel expenses provided for state officers and employees generally.

5. Except during a regular or special session, for each day or portion of a day during which *the* members of ~~the~~ *any* subcommittees and interim or special committees *established pursuant to subsection 2* who are Legislators attend meetings of the subcommittees and interim or special committees or are otherwise engaged in the business of the subcommittees and interim or special committees, the members are entitled to receive out of the Legislative Fund:

(a) The compensation provided for a majority of the Legislators during the first 60 days of the preceding regular session;

(b) The per diem allowance provided for state officers and employees generally; and

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

Sec. 12. NRS 218E.205 is hereby amended to read as follows:

218E.205 1. Between regular sessions, the Legislative Commission:

(a) Shall fix the work priority of all studies and investigations assigned to it by a statute or concurrent resolution or directed by an order of the Legislative Commission ~~{-}~~ *or conducted by a Joint Interim Standing Committee*, within the limits of available time, money and staff.

(b) Shall not make studies or investigations directed by a resolution of only one House or studies or investigations proposed but not approved during the preceding regular session.

2. All requests for the drafting of legislative measures to be recommended as the result of a study or investigation must be made in accordance with NRS 218D.160.

3. Except as otherwise provided by NRS 218E.210, between regular sessions, a study or investigation may not be initiated or continued by the Fiscal Analysts, the Legislative Auditor, the Legislative Counsel or the Research Director and their staffs, except studies and investigations which have been specifically authorized by ~~{a statute, concurrent resolution}~~ *the Legislature or {order of} the Legislative Commission*.

4. A study or investigation may not be carried over from one regular session to the next without additional authorization by a statute, concurrent resolution or order of the Legislative Commission, except audits in progress whose carryover has been approved by the Legislative Commission.

5. Except as otherwise provided by a specific statute, the staff of the Legislative Counsel Bureau shall not serve as primary administrative or professional staff for a committee established by a statute, concurrent resolution or order of the Legislative Commission to conduct a study or investigation, unless the chair of the committee is required by the statute, concurrent resolution or order of the Legislative Commission to be a Legislator.

6. The Legislative Commission shall review and approve the budget and work program and any changes to the budget or work program for each study or investigation conducted by the Legislative Commission or a committee or subcommittee established by the Legislative Commission.

~~{7. A committee or subcommittee established to conduct a study or investigation assigned to the Legislative Commission by a statute or concurrent resolution or directed by an order of the Legislative Commission must, unless otherwise ordered by the Legislative Commission, meet not earlier than January 1 of the even-numbered year and not later than June 30 of that year.}~~

Sec. 13. NRS 218E.520 is hereby amended to read as follows:

218E.520 1. The *Joint Interim Standing Committee on Natural Resources, Agriculture and Mining* may:

(a) Review and comment on any administrative policy, rule or regulation of the:

(1) Secretary of the Interior which pertains to policy concerning or management of public lands under the control of the Federal Government; and

(2) Secretary of Agriculture which pertains to policy concerning or management of national forests;

(b) Conduct investigations and hold hearings in connection with its review, including, but not limited to, investigating the effect on the State, its citizens, political subdivisions, businesses and industries of those policies, rules, regulations and related laws ; ~~[-, and exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive;]~~

(c) Consult with and advise the State Land Use Planning Agency on matters concerning federal land use, policies and activities in this State;

(d) Direct the Legislative Counsel Bureau to assist in its research, investigations, review and comment;

(e) Recommend to the Legislature as a result of its review any appropriate state legislation or corrective federal legislation;

(f) Advise the Attorney General if it believes that any federal policy, rule or regulation which it has reviewed encroaches on the sovereignty respecting land or water or their use which has been reserved to the State pursuant to the Constitution of the United States;

(g) Enter into a contract for consulting services for land planning and any other related activities, including, but not limited to:

(1) Advising the Committee and the State Land Use Planning Agency concerning the revision of the plans pursuant to NRS 321.7355;

(2) Assisting local governments in the identification of lands administered by the Federal Government in this State which are needed for residential or economic development or any other purpose; and

(3) Assisting local governments in the acquisition of federal lands in this State;

(h) Apply for any available grants and accept any gifts, grants or donations to assist the Committee in carrying out its duties; and

(i) Review and comment on any other matter relating to the preservation, conservation, use, management or disposal of public lands deemed appropriate by the Chair of the Committee or by a majority of the members of the Committee.

2. Any reference in this section to federal policies, rules, regulations and related federal laws includes those which are proposed as well as those which are enacted or adopted.

Sec. 14. NRS 218E.525 is hereby amended to read as follows:

218E.525 1. The *Joint Interim Standing Committee on Natural Resources, Agriculture and Mining* shall:

(a) Actively support the efforts of state and local governments in the western states regarding public lands and state sovereignty as impaired by federal ownership of land.

(b) Advance knowledge and understanding in local, regional and national forums of Nevada's unique situation with respect to public lands.

(c) Support legislation that will enhance state and local roles in the management of public lands and will increase the disposal of public lands.

2. *The Joint Interim Standing Committee* ~~{-}~~ *on Natural Resources, Agriculture and Mining:*

(a) Shall review the programs and activities of:

(1) The Colorado River Commission of Nevada;

(2) All public water authorities, districts and systems in the State of Nevada, including, without limitation, the Southern Nevada Water Authority, the Truckee Meadows Water Authority, the Virgin Valley Water District, the Carson Water Subconservancy District, the Humboldt River Basin Water Authority and the Truckee-Carson Irrigation District; and

(3) All other public or private entities with which any county in the State has an agreement regarding the planning, development or distribution of water resources, or any combination thereof; *and*

(b) ~~{Shall, on or before January 15 of each odd-numbered year, submit to the Director for transmittal to the Legislature a report concerning the review conducted pursuant to paragraph (a); and~~

~~—(c)}~~ May review and comment on other issues relating to water resources in this State, including, without limitation:

(1) The laws, regulations and policies regulating the use, allocation and management of water in this State; and

(2) The status of existing information and studies relating to water use, surface water resources and groundwater resources in this State.

Sec. 15. ~~{NRS 218E.565 is hereby amended to read as follows:~~

~~218E.565 1. The Joint Interim Standing Committee on Government Affairs shall:~~

~~—[1.] (a) Provide appropriate review and oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System;~~

~~—[2.] (b) Review the budget, programs, activities, responsiveness and accountability of the Tahoe Regional Planning Agency and the Marlette Lake Water System in such a manner as deemed necessary and appropriate by the Committee;~~

~~—[3.] (c) Study the role, authority and activities of:~~

~~—[(a)] (1) The Tahoe Regional Planning Agency regarding the Lake Tahoe Basin; and~~

~~—[(b)] (2) The Marlette Lake Water System regarding Marlette Lake; and~~

~~—[4.] (d) Continue to communicate with members of the Legislature of the State of California to achieve the goals set forth in the Tahoe Regional Planning Compact.~~

~~2. The Joint Interim Standing Committee on Government Affairs may:~~

~~—(a) Apply for any available grants and accept any gifts, grants or donations and use any such gifts, grants or donations to aid the Committee in carrying out its duties; and~~

~~—(b) Direct the Legislative Counsel Bureau to assist in its research, investigations, review and studies.}~~ (Deleted by amendment.)



Sec. 16. NRS 218E.615 is hereby amended to read as follows:

218E.615 The *Joint Interim Standing Committee on Education* may:

1. Evaluate, review and comment upon issues related to education within this State, including, but not limited to:

- (a) Programs to enhance accountability in education;
- (b) Legislative measures regarding education;
- (c) The progress made by this State, the school districts and the public schools in this State in satisfying the goals and objectives of the statewide system of accountability for public schools;
- (d) Methods of financing public education;
- (e) The condition of public education in the elementary and secondary schools;
- (f) The program to reduce the ratio of pupils per class per licensed teacher prescribed in NRS 388.700, 388.710 and 388.720;
- (g) The development of any programs to automate the receipt, storage and retrieval of the educational records of pupils; and
- (h) Any other matters that, in the determination of the Committee, affect the education of pupils within this State.

2. Conduct investigations and hold hearings in connection with its duties pursuant to this section. ~~and exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive.~~

3. Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

4. Make recommendations to the Legislature concerning the manner in which public education may be improved.

Sec. 17. NRS 218E.625 is hereby amended to read as follows:

218E.625 1. The Legislative Bureau of Educational Accountability and Program Evaluation is hereby created within the Fiscal Analysis Division. The Fiscal Analysts shall appoint to the Legislative Bureau of Educational Accountability and Program Evaluation a Chief and such other personnel as the Fiscal Analysts determine are necessary for the Bureau to carry out its duties pursuant to this section.

2. The Bureau shall, as the Fiscal Analysts determine is necessary or at the request of the *Joint Interim Standing Committee* ~~on Education~~:

- (a) Collect and analyze data and issue written reports concerning:
  - (1) The effectiveness of the provisions of chapter 385A of NRS in improving the accountability of the schools of this State;
  - (2) The statewide program to reduce the ratio of pupils per class per licensed teacher prescribed in NRS 388.700, 388.710 and 388.720;
  - (3) The statewide program to educate persons with disabilities that is set forth in NRS 388.5223 to 388.5243, inclusive;
  - (4) The results of the examinations of the National Assessment of Educational Progress that are administered pursuant to NRS 390.830; and
  - (5) Any program or legislative measure, the purpose of which is to reform the system of education within this State.

(b) Conduct studies and analyses to evaluate the performance and progress of the system of public education within this State. Such studies and analyses may be conducted:

- (1) As the Fiscal Analysts determine are necessary; or
- (2) At the request of the Legislature.

➔ This paragraph does not prohibit the Bureau from contracting with a person or entity to conduct studies and analyses on behalf of the Bureau.

(c) On or before October 1 of each even-numbered year, submit a written report of its findings pursuant to paragraphs (a) and (b) to the Director for transmission to the next regular session. The Bureau shall, on or before October 1 of each odd-numbered year, submit a written report of its findings pursuant to paragraphs (a) and (b) to the Director for transmission to the Legislative Commission and to the ~~{Legislative}~~ *Joint Interim Standing Committee on Education*.

3. The Bureau may, pursuant to NRS 218F.620, require a school, a school district, the Nevada System of Higher Education or the Department of Education to submit to the Bureau books, papers, records and other information that the Chief of the Bureau determines are necessary to carry out the duties of the Bureau pursuant to this section. An entity whom the Bureau requests to produce records or other information shall provide the records or other information in any readily available format specified by the Bureau.

4. Except as otherwise provided in this subsection and NRS 239.0115, any information obtained by the Bureau pursuant to this section shall be deemed a work product that is confidential pursuant to NRS 218F.150. The Bureau may, at the discretion of the Chief and after submission to the Legislature or Legislative Commission, as appropriate, publish reports of its findings pursuant to paragraphs (a) and (b) of subsection 2.

5. This section does not prohibit the Department of Education or the State Board of Education from conducting analyses, submitting reports or otherwise reviewing educational programs in this State.

Sec. 18. NRS 218E.815 is hereby amended to read as follows:

218E.815 1. The *Joint Interim Standing Committee on Commerce, Labor and Energy* may:

(a) Evaluate, review and comment upon matters related to energy policy within this State, including, without limitation:

- (1) Policies, plans or programs relating to the production, consumption or use of energy in this State;
- (2) Legislative measures regarding energy policy;
- (3) The progress made by this State in satisfying the goals and objectives of Senate Bill No. 123 of the 77th Session of the Nevada Legislature;
- (4) The effect of any policy, plan, program or legislation on rates or rate payers;
- (5) The effect of any policy, plan, program or legislation on economic development in this State;

(6) The effect of any policy, plan, program or legislation on the environment;

(7) Any contracts or requests for proposals relating to the purchase of capacity;

(8) The effect of any policy, plan, program or legislation which provides for the construction or acquisition of facilities for the generation of electricity;

(9) The effect of any policy, plan, program or legislation on the development of a market in this State for electricity generated from renewable energy;

(10) The infrastructure and transmission requirements of any policy, plan, program or legislation; and

(11) Any other matters or topics that, in the determination of the Committee, affect energy policy in this State.

(b) Conduct investigations and hold hearings in connection with its duties pursuant to this section. ~~[and exercise any of the investigative powers set forth in NRS 218E.105 to 218E.140, inclusive.]~~

(c) Request that the Legislative Counsel Bureau assist in the research, investigations, hearings and reviews of the Committee.

(d) Make recommendations to the Legislature concerning the manner in which energy policy may be implemented or improved.

2. As used in this section, "renewable energy" has the meaning ascribed to it in NRS 701.070.

Sec. 19. NRS 62H.320 is hereby amended to read as follows:

62H.320 1. The Director of the Department of Health and Human Services shall establish within the Department a program to compile and analyze data concerning juvenile sex offenders. The program must be designed to:

(a) Provide statistical data relating to the recidivism of juvenile sex offenders; and

(b) Use the data provided by the Division of Child and Family Services of the Department of Health and Human Services pursuant to NRS 62H.220 to assess the effectiveness of programs for the treatment of juvenile sex offenders.

2. The Director of the Department of Health and Human Services shall report the statistical data and findings from the program to:

(a) The Legislature at the beginning of each regular session.

(b) The ~~[Advisory Commission on the Administration of Justice]~~ *Joint Interim Standing Committee on the Judiciary* on or before January 31 of each even-numbered year.

3. The data acquired pursuant to this section is confidential and must be used only for the purpose of research. The data and findings generated pursuant to this section must not contain information that may reveal the identity of a juvenile sex offender or the identity of an individual victim of a crime.

Sec. 20. NRS 176.0127 is hereby amended to read as follows:

176.0127 1. The Department of Corrections shall:

(a) Provide the ~~{Commission}~~ *Joint Interim Standing Committee on the Judiciary* with any available statistical information or research requested by the ~~{Commission}~~ *Committee* and assist the ~~{Commission}~~ *Committee* in the compilation and development of information requested by the ~~{Commission}~~ *Committee*, including, but not limited to, information or research concerning the facilities and institutions of the Department of Corrections, the offenders who are or were within those facilities or institutions, rates of recidivism, the effectiveness of educational and vocational programs and the sentences which are being served or were served by those offenders;

~~{(b) If requested by the Commission, make available to the Commission the use of the computers and programs which are owned by the Department of Corrections;} and~~

~~{(c)}~~ (b) Provide the independent contractor retained by the Department of Administration pursuant to NRS 176.0129 with any available statistical information requested by the independent contractor for the purpose of performing the projections required by NRS 176.0129.

2. The Division shall:

(a) Provide the ~~{Commission}~~ *Joint Interim Standing Committee on the Judiciary* with any available statistical information or research requested by the ~~{Commission}~~ *Committee* and assist the ~~{Commission}~~ *Committee* in the compilation and development of information concerning sentencing, probation, parole and any offenders who are or were subject to supervision by the Division;

~~{(b) If requested by the Commission, make available to the Commission the use of the computers and programs which are owned by the Division;} and~~

~~{(c)}~~ (b) Provide the independent contractor retained by the Department of Administration pursuant to NRS 176.0129 with any available statistical information requested by the independent contractor for the purpose of performing the projections required by NRS 176.0129.

Sec. 21. NRS 176.0128 is hereby amended to read as follows:

176.0128 The Central Repository for Nevada Records of Criminal History shall:

1. Facilitate the collection of statistical data in the manner approved by the Director of the Department of Public Safety and coordinate the exchange of such data with agencies of criminal justice within this State, including:

- (a) State and local law enforcement agencies;
- (b) The Office of the Attorney General;
- (c) The Court Administrator;
- (d) The Department of Corrections; and
- (e) The Division.

2. Provide the ~~{Commission}~~ *Joint Interim Standing Committee on the Judiciary* with available statistical data and information requested by the ~~{Commission}~~ *Committee*.

Sec. 22. NRS 176.0129 is hereby amended to read as follows:

176.0129 The Department of Administration shall, on an annual basis,

contract for the services of an independent contractor, in accordance with the provisions of NRS 333.700, to ~~[-~~

~~1. Review] review sentences imposed in this State and the practices of the State Board of Parole Commissioners and project annually the number of persons who will be:~~

- ~~[(a)] 1. In a facility or institution of the Department of Corrections;~~
- ~~[(b)] 2. On probation;~~
- ~~[(c)] 3. On parole; and~~
- ~~[(d)] 4. Serving a term of residential confinement,~~

~~↪ during the 10 years immediately following the date of the projection . [-; and~~

~~2. Review preliminary proposals and information provided by the Commission and project annually the number of persons who will be:~~

- ~~(a) In a facility or institution of the Department of Corrections;~~
- ~~(b) On probation;~~
- ~~(c) On parole; and~~
- ~~(d) Serving a term of residential confinement,~~

~~↪ during the 10 years immediately following the date of the projection, assuming the preliminary proposals were recommended by the Commission and enacted by the Legislature.]~~

Sec. 23. NRS 209.192 is hereby amended to read as follows:

209.192 1. There is hereby created in the State Treasury a Fund for New Construction of Facilities for Prison Industries as a capital projects fund. The Director shall deposit in the Fund the deductions made pursuant to paragraph (c) of subsection 1 or paragraph (b) of subsection 2 of NRS 209.463. The money in the Fund must only be expended:

(a) To house new industries or expand existing industries in the industrial program to provide additional employment of offenders;

(b) To relocate, expand, upgrade or modify an existing industry in the industrial program to enhance or improve operations or security or to provide additional employment or training of offenders;

(c) To purchase or lease equipment to be used for the training of offenders or in the operations of prison industries;

(d) To pay or fund the operations of prison industries, including, without limitation, paying the salaries of staff and wages of offenders if the cash balance in the Fund for Prison Industries is below the average monthly expenses for the operation of prison industries;

(e) To advertise and promote the goods produced and services provided by prison industries; or

(f) For any other purpose authorized by the Legislature.

2. Before money in the Fund may be expended:

(a) As described in paragraphs (b) to (e), inclusive, of subsection 1, the Director shall submit a proposal for the expenditure to the *Joint Interim Standing Committee on [Industrial Programs] the Judiciary* and the State Board of Examiners.

(b) For construction, the Director shall submit a proposal for the expenditure to the State Board of Examiners.

3. Upon making a determination that the proposed expenditure is appropriate and necessary, the State Board of Examiners shall recommend to the Interim Finance Committee, or the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means when the Legislature is in general session, that the expenditure be approved. Upon approval of the appropriate committee or committees, the money may be so expended.

4. If any money in the Fund is used as described in paragraph (d) of subsection 1, the Director shall repay the amount used as soon as sufficient money is available in the Fund for Prison Industries.

5. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

6. As used in this section, "Fund" means Fund for New Construction of Facilities for Prison Industries.

Sec. 24. NRS 209.459 is hereby amended to read as follows:

209.459 1. The Director shall:

(a) Submit a report to the *Joint Interim Standing Committee on ~~Industrial Programs~~ the Judiciary* identifying the potential impacts of any new program for the employment of offenders on private employers and labor in this State. In preparing such a report, the Director shall include any information required pursuant to paragraph (b) of subsection 7 of NRS 209.461 and must perform due diligence in obtaining such information from:

- (1) The Department of Employment, Training and Rehabilitation;
- (2) The Department of Business and Industry;
- (3) The Office of Economic Development; and
- (4) Representatives of organized labor in this State.

(b) Seek and present the recommendations of the *Joint Interim Standing Committee on ~~Industrial Programs~~ the Judiciary* to the Board of State Prison Commissioners and, with the approval of the Board of State Prison Commissioners, establish and carry out a program for the employment of offenders in services and manufacturing conducted by institutions of the Department or by private employers.

2. Before any new program for the employment of offenders is established pursuant to this section, the Director shall submit any contract related to the employment of such offenders to the State Board of Examiners for approval.

Sec. 25. NRS 209.461 is hereby amended to read as follows:

209.461 1. The Director shall:

(a) To the greatest extent possible, approximate the normal conditions of training and employment in the community.

(b) Except as otherwise provided in this section, to the extent practicable, require each offender, except those whose behavior is found by the Director to preclude participation, to spend 40 hours each week in vocational training or employment, unless excused for a medical reason or to attend educational

classes in accordance with NRS 209.396. The Director shall require as a condition of employment that an offender sign an authorization for the deductions from his or her wages made pursuant to NRS 209.463. Authorization to make the deductions pursuant to NRS 209.463 is implied from the employment of an offender and a signed authorization from the offender is not required for the Director to make the deductions pursuant to NRS 209.463.

(c) Use the earnings from services and manufacturing conducted by the institutions and the money paid by private employers who employ the offenders to offset the costs of operating the prison system and to provide wages for the offenders being trained or employed.

(d) Provide equipment, space and management for services and manufacturing by offenders.

(e) Employ craftsmen and other personnel to supervise and instruct offenders.

(f) Contract with governmental agencies and private employers for the employment of offenders, including their employment on public works projects under contracts with the State and with local governments.

(g) Contract for the use of offenders' services and for the sale of goods manufactured by offenders.

(h) On or before January 1, 2014, and every 5 years thereafter, submit a report to the Director of the Legislative Counsel Bureau for distribution to the *Joint Interim Standing Committee on ~~Industrial Programs~~ the Judiciary*. The report must include, without limitation, an analysis of existing contracts with private employers for the employment of offenders and the potential impact of those contracts on private industry in this State.

(i) Submit a report to each meeting of the Interim Finance Committee identifying any accounts receivable related to a program for the employment of offenders.

2. Every program for the employment of offenders established by the Director must:

(a) Employ the maximum number of offenders possible;

(b) Except as otherwise provided in NRS 209.192, provide for the use of money produced by the program to reduce the cost of maintaining the offenders in the institutions;

(c) Have an insignificant effect on the number of jobs available to the residents of this State; and

(d) Provide occupational training for offenders.

3. An offender may not engage in vocational training, employment or a business that requires or permits the offender to:

(a) Telemarket or conduct opinion polls by telephone; or

(b) Acquire, review, use or have control over or access to personal information concerning any person who is not incarcerated.

4. Each fiscal year, the cumulative profits and losses, if any, of the programs for the employment of offenders established by the Director must

result in a profit for the Department. The following must not be included in determining whether there is a profit for the Department:

(a) Fees credited to the Fund for Prison Industries pursuant to NRS 482.268, any revenue collected by the Department for the leasing of space, facilities or equipment within the institutions or facilities of the Department, and any interest or income earned on the money in the Fund for Prison Industries.

(b) The selling expenses of the Central Administrative Office of the programs for the employment of offenders. As used in this paragraph, "selling expenses" means delivery expenses, salaries of sales personnel and related payroll taxes and costs, the costs of advertising and the costs of display models.

(c) The general and administrative expenses of the Central Administrative Office of the programs for the employment of offenders. As used in this paragraph, "general and administrative expenses" means the salary of the Deputy Director of Industrial Programs and the salaries of any other personnel of the Central Administrative Office and related payroll taxes and costs, the costs of telephone usage, and the costs of office supplies used and postage used.

5. If any state-sponsored program incurs a net loss for 2 consecutive fiscal years, the Director shall appear before the *Joint Interim Standing Committee on ~~Industrial Programs~~ the Judiciary* to explain the reasons for the net loss and provide a plan for the generation of a profit in the next fiscal year. If the program does not generate a profit in the third fiscal year, the Director shall take appropriate steps to resolve the issue.

6. Except as otherwise provided in subsection 3, the Director may, with the approval of the Board:

(a) Lease spaces and facilities within any institution of the Department to private employers to be used for the vocational training and employment of offenders.

(b) Grant to reliable offenders the privilege of leaving institutions or facilities of the Department at certain times for the purpose of vocational training or employment.

7. Before entering into any contract with a private employer for the employment of offenders pursuant to subsection 1, the Director shall obtain from the private employer:

(a) A personal guarantee to secure an amount fixed by the Director but not less than 100 percent of the prorated annual amount of the contract, a surety bond made payable to the State of Nevada in an amount fixed by the Director but not less than 100 percent of the prorated annual amount of the contract and conditioned upon the faithful performance of the contract in accordance with the terms and conditions of the contract, or a security agreement to secure any debt, obligation or other liability of the private employer under the contract, including, without limitation, lease payments, wages earned by offenders and compensation earned by personnel of the Department.



(b) A detailed written analysis on the estimated impact of the contract on private industry in this State. The written analysis must include, without limitation:

- (1) The number of private companies in this State currently providing the types of products and services offered in the proposed contract.
- (2) The number of residents of this State currently employed by such private companies.
- (3) The number of offenders that would be employed under the contract.
- (4) The skills that the offenders would acquire under the contract.

8. The provisions of this chapter do not create a right on behalf of the offender to employment or to receive the federal or state minimum wage for any employment and do not establish a basis for any cause of action against the State or its officers or employees for employment of an offender or for payment of the federal or state minimum wage to an offender.

9. As used in this section, "state-sponsored program" means a program for the vocational training or employment of offenders which does not include a contract of employment with a private employer.

Sec. 26. NRS 209.4818 is hereby amended to read as follows:

209.4818 1. The *Joint Interim Standing Committee on ~~Industrial Programs~~* the Judiciary shall:

(a) Be informed on issues and developments relating to industrial programs for correctional institutions;

(b) Submit a semiannual report to the Interim Finance Committee before July 1 and December 1 of each year on the status of current and proposed industrial programs for correctional institutions;

(c) Report to the Legislature on any other matter relating to industrial programs for correctional institutions that it deems appropriate;

~~(d) Meet at least quarterly and at the call of the Chair to review the operation of current and proposed industrial programs;~~

~~—(e)—~~ Recommend three persons to the Director for appointment as the Deputy Director for Industrial Programs whenever a vacancy exists;

~~{{(f)}}~~ (e) Before any new industrial program is established by the Director, review the proposed program for compliance with the requirements of subsections 2, 3, 4 and 7 of NRS 209.461 and submit to the Director its recommendations concerning the proposed program; and

~~{{(g)}}~~ (f) Review each state-sponsored industry program established pursuant to subsection 2 of NRS 209.461 to determine whether the program is operating profitably. If the Committee determines that a program has incurred a net loss in 3 consecutive fiscal years, the Committee shall report its finding to the Director with a recommendation regarding whether the program should be continued or terminated. If the Director does not accept the recommendation of the Committee, the Director shall submit a written report to the Committee setting forth his or her reasons for rejecting the recommendation.

2. Upon the request of the *Joint Interim Standing Committee on ~~Industrial Programs,~~ the Judiciary*, the Director and the Deputy Director for Industrial Programs shall provide to the Committee any information that the Committee determines is relevant to the performance of the duties of the Committee.

3. As used in this section, "state-sponsored industry program" means a program for the vocational training or employment of offenders which does not include a contract of employment with a private employer.

Sec. 27. NRS 233B.063 is hereby amended to read as follows:

233B.063 1. An agency that intends to adopt, amend or repeal a permanent regulation must deliver to the Legislative Counsel a copy of the proposed regulation. The Legislative Counsel shall examine and if appropriate revise the language submitted so that it is clear, concise and suitable for incorporation in the Nevada Administrative Code, but shall not alter the meaning or effect without the consent of the agency.

2. Unless the proposed regulation is submitted to the Legislative Counsel between July 1 of an even-numbered year and July 1 of the succeeding odd-numbered year, the Legislative Counsel shall deliver the approved or revised text of the regulation within 30 days after it is submitted to the Legislative Counsel. If the proposed or revised text of a regulation is changed before adoption, the agency shall submit the changed text to the Legislative Counsel, who shall examine and revise it if appropriate pursuant to the standards of subsection 1. Unless it is submitted between July 1 of an even-numbered year and July 1 of the succeeding odd-numbered year, the Legislative Counsel shall return it with any appropriate revisions within 30 days. If the agency is a licensing board as defined in NRS 439B.225 and the proposed regulation relates to standards for the issuance or renewal of licenses, permits or certificates of registration issued to a person or facility regulated by the agency, the Legislative Counsel shall also deliver one copy of the approved or revised text of the regulation to the ~~Legislative~~ *Joint Interim Standing Committee on Health ~~Care,~~ and Human Services*.

3. An agency may adopt a temporary regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year without following the procedure required by this section and NRS 233B.064, but any such regulation expires by limitation on November 1 of the odd-numbered year. A substantively identical permanent regulation may be subsequently adopted.

4. An agency may amend or suspend a permanent regulation between August 1 of an even-numbered year and July 1 of the succeeding odd-numbered year by adopting a temporary regulation in the same manner and subject to the same provisions as prescribed in subsection 3.

Sec. 28. NRS 233B.070 is hereby amended to read as follows:

233B.070 1. A permanent regulation becomes effective when the Legislative Counsel files with the Secretary of State the original of the final draft or revision of a regulation, except as otherwise provided in NRS 293.247 or where a later date is specified in the regulation.

2. Except as otherwise provided in NRS 233B.0633, an agency that has adopted a temporary regulation may not file the temporary regulation with the Secretary of State until 35 days after the date on which the temporary regulation was adopted by the agency. A temporary regulation becomes effective when the agency files with the Secretary of State the original of the final draft or revision of the regulation, together with the informational statement prepared pursuant to NRS 233B.066. The agency shall also file a copy of the temporary regulation with the Legislative Counsel, together with the informational statement prepared pursuant to NRS 233B.066.

3. An emergency regulation becomes effective when the agency files with the Secretary of State the original of the final draft or revision of an emergency regulation, together with the informational statement prepared pursuant to NRS 233B.066. The agency shall also file a copy of the emergency regulation with the Legislative Counsel, together with the informational statement prepared pursuant to NRS 233B.066.

4. The Secretary of State shall maintain the original of the final draft or revision of each regulation in a permanent file to be used only for the preparation of official copies.

5. The Secretary of State shall file, with the original of each agency's rules of practice, the current statement of the agency concerning the date and results of its most recent review of those rules.

6. Immediately after each permanent or temporary regulation is filed, the agency shall deliver one copy of the final draft or revision, bearing the stamp of the Secretary of State indicating that it has been filed, including material adopted by reference which is not already filed with the State Library, Archives and Public Records Administrator, to the State Library, Archives and Public Records Administrator for use by the public. If the agency is a licensing board as defined in NRS 439B.225 and it has adopted a permanent regulation relating to standards for the issuance or renewal of licenses, permits or certificates of registration issued to a person or facility regulated by the agency, the agency shall also deliver one copy of the regulation, bearing the stamp of the Secretary of State, to the ~~Legislative~~ *Joint Interim Standing Committee on Health ~~Care~~ and Human Services* within 10 days after the regulation is filed with the Secretary of State.

7. Each agency shall furnish a copy of all or part of that part of the Nevada Administrative Code which contains its regulations, to any person who requests a copy, and may charge a reasonable fee for the copy based on the cost of reproduction if it does not have money appropriated or authorized for that purpose.

8. An agency which publishes any regulations included in the Nevada Administrative Code shall use the exact text of the regulation as it appears in the Nevada Administrative Code, including the leadlines and numbers of the sections. Any other material which an agency includes in a publication with its regulations must be presented in a form which clearly distinguishes that material from the regulations.

Sec. 29. ~~[NRS 277.220 is hereby amended to read as follows:~~

~~277.220 1. The Account for the Tahoe Regional Planning Agency is hereby established in the State General Fund and consists of any money provided by direct legislative appropriation. Money in this Account must be expended for the support of, or paid over directly to, the Tahoe Regional Planning Agency in whatever amount and manner is directed by each appropriation or provided by law.~~

~~2. On or before January 31 of each year, the Tahoe Regional Planning Agency shall submit to the Governor and the Director of the Legislative Counsel Bureau:~~

~~(a) A copy of the report of the independent audit most recently prepared for the Tahoe Regional Planning Agency; and~~

~~(b) A written report detailing:~~

~~(1) The nature and purpose of the expenditures made by the Tahoe Regional Planning Agency during the immediately preceding calendar year from money appropriated to it by the Legislature; and~~

~~(2) The progress of the Tahoe Regional Planning Agency in achieving the performance measures and benchmarks included in its current biennial budget.~~

~~3. The Director of the Legislative Counsel Bureau shall cause copies of the materials submitted pursuant to subsection 2 to be transmitted to the [Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System created by NRS 218E.555] Joint Interim Standing Committee on Government Affairs and:~~

~~(a) In odd numbered years, the Legislature.~~

~~(b) In even numbered years, the Interim Finance Committee.] (Deleted by amendment.)~~

Sec. 30. ~~[NRS 286.160 is hereby amended to read as follows:~~

~~286.160 1. The Board shall employ an Executive Officer who serves at the pleasure of the Board. The Executive Officer shall select a General Counsel, Operations Officer, Investment Officer, Chief Financial Officer, Manager of Information Systems, Administrative Services Coordinator and Administrative Analyst whose appointments are effective upon confirmation by the Board. The General Counsel, Operations Officer, Investment Officer, Chief Financial Officer, Manager of Information Systems, Administrative Services Coordinator and Administrative Analyst serve at the pleasure of the Executive Officer.~~

~~2. The Executive Officer, General Counsel, Operations Officer, Investment Officer, Chief Financial Officer, Manager of Information Systems, Administrative Services Coordinator and Administrative Analyst are entitled to annual salaries fixed by the Board with the approval of the Joint Interim [Retirement and Benefits] Standing Committee [of the Legislature created pursuant to NRS 218E.420.] on Government Affairs. The salaries of these employees are exempt from the limitations of NRS 281.123.~~

~~3. The Executive Officer must:~~

~~(a) Be a graduate of a 4 year college or university with a degree in business administration or public administration or equivalent degree.~~

~~(b) Possess at least 5 years' experience in a high level administrative or executive capacity, including responsibility for a variety of administrative functions such as retirement, insurance, investment or fiscal operations.~~

~~4. The General Counsel must be an attorney in good standing licensed and admitted to practice law in this State.~~

~~5. The Operations Officer, Investment Officer, Chief Financial Officer, Manager of Information Systems and Administrative Analyst must each be a graduate of a 4 year college or university with a degree in business administration or public administration or an equivalent degree.~~

~~6. Except as otherwise provided in NRS 284.143, the Executive Officer shall not pursue any other business or occupation or perform the duties of any other office of profit during normal office hours unless on leave approved in advance. The Executive Officer shall not participate in any business enterprise or investment in real or personal property if the System owns or has a direct financial interest in that enterprise or property.] (Deleted by amendment.)~~

Sec. 31. ~~{NRS 286.211 is hereby amended to read as follows:~~

~~286.211 1. The Board shall, with the advice of the *Joint* Interim [Retirement and Benefits] *Standing* Committee [of the Legislature created pursuant to NRS 218E.420:] on Government Affairs:~~

~~(a) Adopt regulations for the evaluation of requests for enrollment under the Police and Firefighters' Retirement Fund; and~~

~~(b) Determine those positions eligible under the early retirement provisions for police officers and firefighters.~~

~~2. Service in any position which has not been determined by the Board to be eligible does not entitle a member to early retirement as a firefighter or police officer.] (Deleted by amendment.)~~

Sec. 32. ~~{NRS 286.523 is hereby amended to read as follows:~~

~~286.523 1. It is the policy of this State to ensure that the reemployment of a retired public employee pursuant to this section is limited to positions of extreme need. An employer who desires to employ such a retired public employee to fill a position for which there is a critical labor shortage must make the determination of reemployment based upon the appropriate and necessary delivery of services to the public.~~

~~2. The provisions of subsections 1 and 2 of NRS 286.520 do not apply to a retired employee who accepts employment or an independent contract with a public employer under the System if:~~

~~(a) The retired employee fills a position for which there is a critical labor shortage; and~~

~~(b) At the time of the retired employee's reemployment, the retired employee is receiving:~~

~~(1) A benefit that is not actuarially reduced pursuant to subsection 6 of NRS 286.510; or~~

~~—(2) A benefit actuarially reduced pursuant to subsection 6 of NRS 286.510 and has reached the required age at which the retired employee could have retired with a benefit that was not actuarially reduced pursuant to subsection 6 of NRS 286.510.~~

~~—3. A retired employee who is reemployed under the circumstances set forth in subsection 2 may reenroll in the System as provided in NRS 286.525.~~

~~—4. Positions for which there are critical labor shortages must be determined in an open public meeting held by the designating authority as follows:~~

~~—(a) Except as otherwise provided in this subsection, the State Board of Examiners shall designate positions in State Government for which there are critical labor shortages.~~

~~—(b) The Supreme Court shall designate positions in the Judicial Branch of State Government for which there are critical labor shortages.~~

~~—(c) The Board of Regents shall designate positions in the Nevada System of Higher Education for which there are critical labor shortages.~~

~~—(d) The board of trustees of each school district shall designate positions within the school district for which there are critical labor shortages.~~

~~—(e) The governing body of a charter school shall designate positions within the charter school for which there are critical labor shortages.~~

~~—(f) The governing body of a local government shall designate positions with the local government for which there are critical labor shortages.~~

~~—(g) The Board shall designate positions within the System for which there are critical labor shortages.~~

~~—5. In determining whether a position is a position for which there is a critical labor shortage, the designating authority shall make findings based upon the criteria set forth in this subsection that support the designation. Before making a designation, the designating authority shall consider all efforts made by the applicable employer to fill the position through other means. The written findings made by the designating authority must include:~~

~~—(a) The history of the rate of turnover for the position;~~

~~—(b) The number of openings for the position and the number of qualified candidates for those openings after all other efforts of recruitment have been exhausted;~~

~~—(c) The length of time the position has been vacant;~~

~~—(d) The difficulty in filling the position due to special circumstances, including, without limitation, special educational or experience requirements for the position; and~~

~~—(e) The history and success of the efforts to recruit for the position, including, without limitation, advertising, recruitment outside of this State and all other efforts made.~~

~~—6. A designating authority that designates a position as a critical need position shall submit to the System its written findings which support that designation made pursuant to subsection 5 on a form prescribed by the System. The System shall compile the forms received from each designating authority and provide a biennial report on the compilation to the Joint Interim~~

~~[Retirement and Benefits Committee of the Legislature.] *Standing Committee on Government Affairs.*~~

~~7. A designating authority shall not designate a position pursuant to subsection 4 as a position for which there is a critical labor shortage for a period longer than 2 years. To be redesignated as such a position, the designating authority must consider and make new findings in an open public meeting as to whether the position continues to meet the criteria set forth in subsection 5.] (Deleted by amendment.)~~

Sec. 33. ~~[NRS 287.0425 is hereby amended to read as follows:~~

~~287.0425 1. The Executive Officer shall submit a report regarding the administration and operation of the Program to the Board and the Director of the Office of Finance, and to the Director of the Legislative Counsel Bureau for transmittal to the appropriate committees of the Legislature or, if the Legislature is not in regular session, to the Legislative Commission and the *Joint Interim [Retirement and Benefits Committee of the Legislature created by NRS 218E.420.] Standing Committee on Government Affairs.* The report must include, without limitation:~~

~~—(a) An audited financial statement of the Program Fund for the immediately preceding fiscal year. The statement must be prepared by an independent certified public accountant.~~

~~—(b) An audited financial statement of the Retirees' Fund for the immediately preceding fiscal year. The statement must be prepared by an independent certified public accountant.~~

~~—(c) A report of the utilization of the Program by participants during the immediately preceding plan year, segregated by benefit, administrative cost, active employees and retirees, including, without limitation, an assessment of the actuarial accuracy of reserves.~~

~~—(d) Material provided generally to participants or prospective participants in connection with enrollment in the Program for the current plan year, including, without limitation:~~

~~—(1) Information regarding rates and the costs for participation in the Program paid by participants on a monthly basis; and~~

~~—(2) A summary of the changes in the plan design for the current plan year from the plan design for the immediately preceding plan year.~~

~~2. The Executive Officer shall submit a biennial report to the Board and the Director of the Office of Finance, and to the Director of the Legislative Counsel Bureau for transmittal to the appropriate committee or committees of the Legislature. The report must include, without limitation:~~

~~—(a) An independent biennial certified actuarial valuation and report of the State's health and welfare benefits for current and future state retirees, which are provided for the purpose of developing the annual required contribution pursuant to the statements issued by the Governmental Accounting Standards Board.~~

~~—(b) A biennial review of the Program to determine whether the Program complies with federal and state laws relating to taxes and employee benefits.~~

~~The review must be conducted by an attorney who specializes in employee benefits.~~ (Deleted by amendment.)

Sec. 34. NRS 321.7355 is hereby amended to read as follows:

321.7355 1. The State Land Use Planning Agency shall prepare, in cooperation with appropriate federal and state agencies and local governments throughout the State, plans or statements of policy concerning the acquisition and use of lands in the State of Nevada that are under federal management.

2. The State Land Use Planning Agency shall, in preparing the plans and statements of policy, identify lands which are suitable for acquisition for:

- (a) Commercial, industrial or residential development;
- (b) The expansion of the property tax base, including the potential for an increase in revenue by the lease and sale of those lands; or
- (c) Accommodating increases in the population of this State.

↪ The plans or statements of policy must not include matters concerning zoning or the division of land and must be consistent with local plans and regulations concerning the use of private property.

3. The State Land Use Planning Agency shall:

(a) Encourage public comment upon the various matters treated in a proposed plan or statement of policy throughout its preparation and incorporate such comments into the proposed plan or statement of policy as are appropriate;

(b) Submit its work on a plan or statement of policy periodically for review and comment by the Land Use Planning Advisory Council and ~~any committees of the Legislature or subcommittees of the Legislative Commission that deal with matters concerning the public lands;~~ *the Joint Interim Standing Committee on Natural Resources, Agriculture and Mining;* and

(c) Provide written responses to written comments received from a county or city upon the various matters treated in a proposed plan or statement of policy.

4. Whenever the State Land Use Planning Agency prepares plans or statements of policy pursuant to subsection 1 and submits those plans or policy statements to the Governor, Legislature, *the Joint Interim Standing Committee on Natural Resources, Agriculture and Mining* or an agency of the Federal Government, the State Land Use Planning Agency shall include with each plan or statement of policy the comments and recommendations of:

- (a) The Land Use Planning Advisory Council; and
- (b) ~~Any committees of the Legislature or subcommittees of the Legislative Commission that deal with matters concerning the public lands.~~ *The Joint Interim Standing Committee on Natural Resources, Agriculture and Mining.*

5. A plan or statement of policy must be approved by the governing bodies of the county and cities affected by it before it is put into effect.

Sec. 35. NRS 333.3368 is hereby amended to read as follows:

333.3368 The Purchasing Division shall, every 6 months, submit to the Legislature, if it is in session, or to the Interim Finance Committee, ~~and the~~



~~Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs created by NRS 218E.750,]~~ if the Legislature is not in session, a report which must contain, for the period since the submission of the last report:

1. The number of state purchasing contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive.
2. The total dollar amount of state purchasing contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive.
3. The number of local businesses owned and operated by veterans with service-connected disabilities that submitted a bid or proposal on a state purchasing contract.
4. The number of state purchasing contracts that were awarded to local businesses owned and operated by veterans with service-connected disabilities.
5. The total number of dollars' worth of state purchasing contracts that were awarded to local businesses owned and operated by veterans with service-connected disabilities.
6. Any other information deemed relevant by the Director of the Legislative Counsel Bureau.

Sec. 36. NRS 338.13846 is hereby amended to read as follows:

338.13846 The Division shall, every 6 months, submit to the Legislature, if it is in session, or to the Interim Finance Committee, ~~and the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs created by NRS 218E.750,]~~ if the Legislature is not in session, a report which must contain, for the period since the submittal of the last report:

1. The number of contracts for public works of this State that were subject to the provisions of NRS 338.1384 to 338.13847, inclusive.
2. The total dollar amount of contracts for public works of this State that were subject to the provisions of NRS 338.1384 to 338.13847, inclusive.
3. The number of local businesses owned and operated by veterans with service-connected disabilities that submitted a bid on a contract for a public work of this State.
4. The number of contracts for public works of this State that were awarded to local businesses owned and operated by veterans with service-connected disabilities.
5. The total number of dollars' worth of contracts for public works of this State that were awarded to local businesses owned and operated by veterans with service-connected disabilities.
6. Any other information deemed relevant by the Director of the Legislative Counsel Bureau.

Sec. 37. NRS 385A.030 is hereby amended to read as follows:

385A.030 "Committee" means the ~~[Legislative]~~ *Joint Interim Standing Committee on Education*. ~~[created pursuant to NRS 218E.605.]~~

Sec. 38. 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 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 387.163.

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]~~ *Joint Interim Standing 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]~~ *Joint Interim Standing 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.

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

Sec. 39. NRS 388.787 is hereby amended to read as follows:

388.787 "Committee" means the ~~[Legislative]~~ *Joint Interim Standing Committee on Education* . ~~[created pursuant to NRS 218E.605.]~~

Sec. 40. NRS 390.270 is hereby amended to read as follows:

390.270 1. The Department shall, by regulation or otherwise, adopt and enforce a plan setting forth procedures to ensure the security of examinations that are administered to pupils pursuant to NRS 390.105 and 390.600 and the college and career readiness assessment administered pursuant to NRS 390.610.

2. A plan adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures pursuant to which pupils, school officials and other persons may, and are encouraged to, report irregularities in testing administration and testing security.

(b) Procedures necessary to ensure the security of test materials and the consistency of testing administration.

(c) Procedures that specifically set forth the action that must be taken in response to a report of an irregularity in testing administration or testing security and the actions that must be taken during an investigation of such an irregularity. For each action that is required, the procedures must identify:

(1) By category, the employees of the school district, Achievement School District, charter school or Department, or any combination thereof, who are responsible for taking the action; and

(2) Whether the school district, Achievement School District, charter school or Department, or any combination thereof, is responsible for ensuring that the action is carried out successfully.

(d) Objective criteria that set forth the conditions under which a school, including, without limitation, a charter school or a school district, or both, is required to file a plan for corrective action in response to an irregularity in testing administration or testing security for the purposes of NRS 390.295.

3. A copy of the plan adopted pursuant to this section and the procedures set forth therein must be submitted on or before September 1 of each year to:

(a) The State Board; and

(b) The ~~Legislative~~ *Joint Interim Standing Committee on Education* .  
~~created pursuant to NRS 218E.605.~~

Sec. 41. NRS 390.275 is hereby amended to read as follows:

390.275 1. The board of trustees of each school district shall, for each public school in the district, including, without limitation, charter schools, adopt and enforce a plan setting forth procedures to ensure the security of examinations and assessments.

2. A plan adopted pursuant to subsection 1 must include, without limitation:

(a) Procedures pursuant to which pupils, school officials and other persons may, and are encouraged to, report irregularities in testing administration and testing security.

(b) Procedures necessary to ensure the security of test materials and the consistency of testing administration.

(c) With respect to secondary schools, procedures pursuant to which the school district or charter school, as appropriate, will verify the identity of pupils taking an examination or assessment.

(d) Procedures that specifically set forth the action that must be taken in response to a report of an irregularity in testing administration or testing security and the action that must be taken during an investigation of such an irregularity. For each action that is required, the procedures must identify, by category, the employees of the school district or charter school who are responsible for taking the action and for ensuring that the action is carried out successfully.

➡ The procedures adopted pursuant to this subsection must be consistent, to the extent applicable, with the procedures adopted by the Department pursuant to NRS 390.270.

3. A copy of each plan adopted pursuant to this section and the procedures set forth therein must be submitted on or before September 1 of each year to:

- (a) The State Board; and
- (b) ~~The [Legislative] Joint Interim Standing Committee on Education . [created pursuant to NRS 218E.605.]~~

4. On or before September 30 of each school year, the board of trustees of each school district and the governing body of each charter school shall provide a written notice regarding the examinations and assessments to all teachers and educational personnel employed by the school district or governing body, all personnel employed by the school district or governing body who are involved in the administration of the examinations and assessments, all pupils who are required to take the examinations or assessments and all parents and legal guardians of such pupils. The written notice must be prepared in a format that is easily understood and must include, without limitation, a description of the:

- (a) Plan adopted pursuant to this section; and
- (b) Action that may be taken against personnel and pupils for violations of the plan or for other irregularities in testing administration or testing security.

5. As used in this section:

(a) "Assessment" means the college and career readiness assessment administered to pupils enrolled in grade 11 pursuant to NRS 390.610.

(b) "Examination" means:

(1) The examinations that are administered to pupils pursuant to NRS 390.105 or 390.600; and

(2) Any other examinations which measure the achievement and proficiency of pupils and which are administered to pupils on a district-wide basis.

(c) "Irregularity in testing administration" means the failure to administer an examination or assessment in the manner intended by the person or entity that created the examination or assessment.

(d) "Irregularity in testing security" means an act or omission that tends to corrupt or impair the security of an examination or assessment, including, without limitation:

(1) The failure to comply with security procedures adopted pursuant to this section or NRS 390.270;

(2) The disclosure of questions or answers to questions on an examination or assessment in a manner not otherwise approved by law; and

(3) Other breaches in the security or confidentiality of the questions or answers to questions on an examination or assessment.

Sec. 42. NRS 390.305 is hereby amended to read as follows:

390.305 1. The Department shall establish procedures for the uniform documentation and maintenance by the Department of irregularities in testing administration and testing security reported to the Department pursuant to NRS 390.285 and investigations of such irregularities conducted by the Department pursuant to NRS 390.280. The procedures must include, without limitation:

(a) A method for assigning a unique identification number to each incident of irregularity; and

(b) A method to ensure that the status of an irregularity is readily accessible by the Department.

2. In accordance with the procedures established pursuant to subsection 1, the Department shall prepare and maintain for each irregularity in testing administration and each irregularity in testing security, a written summary accompanying the report of the irregularity. The written summary must include, without limitation:

(a) An evaluation of whether the procedures prescribed by the Department pursuant to paragraph (c) of subsection 2 of NRS 390.270 were followed in response to the irregularity;

(b) The corrective action, if any, taken in response to the irregularity pursuant to NRS 390.295;

(c) An evaluation of whether the corrective action achieved the desired result; and

(d) The current status and the outcome, if any, of an investigation related to the irregularity.

3. The Department shall prepare a written report that includes for each school year:

(a) A summary of each irregularity in testing administration and testing security reported to the Department pursuant to NRS 390.285 and each investigation conducted pursuant to NRS 390.280.

(b) A summary for each school that was required to provide additional administration of examinations pursuant to NRS 390.290. The summary must include, without limitation:

(1) The identity of the school;

(2) The type of additional examinations that were administered pursuant to NRS 390.290;

- (3) The date on which those examinations were administered;
- (4) A comparison of the results of pupils on the:
  - (I) Examinations in which an additional irregularity occurred in the second school year described in NRS 390.290; and
  - (II) Additional examinations administered pursuant to NRS 390.290.
- (c) Each written summary prepared by the Department pursuant to subsection 2.
- (d) The current status of each irregularity that was reported for a preceding school year which had not been resolved at the time that the preceding report was filed.
- (e) The current status and the outcome, if any, of an investigation conducted by the Department pursuant to NRS 390.280.
- (f) An analysis of the irregularities and recommendations, if any, to improve the security of the examinations and the consistency of testing administration.

4. On or before September 1 of each year, the Department shall submit the report prepared pursuant to subsection 3 for the immediately preceding school year to the ~~[Legislative]~~ *Joint Interim Standing Committee on Education* ~~[created pursuant to NRS 218E.605]~~ and the State Board.

Sec. 43. NRS 390.800 is hereby amended to read as follows:

390.800 1. In addition to any other test, examination or assessment required by state or federal law, the board of trustees of each school district may require the administration of district-wide tests, examinations and assessments that the board of trustees determines are vital to measure the achievement and progress of pupils. In making this determination, the board of trustees shall consider any applicable findings and recommendations of the ~~[Legislative]~~ *Joint Interim Standing Committee on Education*.

2. The tests, examinations and assessments required pursuant to subsection 1 must be limited to those which can be demonstrated to provide a direct benefit to pupils or which are used by teachers to improve instruction and the achievement of pupils.

3. The board of trustees of each school district and the State Board shall periodically review the tests, examinations and assessments administered to pupils to ensure that the time taken from instruction to conduct a test, examination or assessment is warranted because it is still accomplishing its original purpose.

Sec. 44. NRS 390.830 is hereby amended to read as follows:

390.830 1. The State Board shall:

(a) In accordance with guidelines established by the National Assessment Governing Board and National Center for Education Statistics and in accordance with 20 U.S.C. §§ 6301 et seq. and the regulations adopted pursuant thereto, adopt regulations requiring the schools of this State that are selected by the National Assessment Governing Board or the National Center for Education Statistics to participate in the examinations of the National Assessment of Educational Progress.

(b) Report the results of those examinations to the:

- (1) Governor;
- (2) Board of trustees of each school district of this State;
- (3) ~~Legislative~~ *Joint Interim Standing* Committee on Education ;  
~~created pursuant to NRS 218E.605;~~ and
- (4) Legislative Bureau of Educational Accountability and Program Evaluation created pursuant to NRS 218E.625.

(c) Include in the report required pursuant to paragraph (b) an analysis and comparison of the results of pupils in this State on the examinations required by this section with:

- (1) The results of pupils throughout this country who participated in the examinations of the National Assessment of Educational Progress; and
- (2) The results of pupils on the achievement and proficiency examinations administered pursuant to this chapter.

2. If the report required by subsection 1 indicates that the percentage of pupils enrolled in the public schools in this State who are proficient on the National Assessment of Educational Progress differs by more than 10 percent of the pupils who are proficient on the examinations administered pursuant to NRS 390.105 and the examinations administered pursuant to NRS 390.600, the Department shall prepare a written report describing the discrepancy. The report must include, without limitation, a comparison and evaluation of:

(a) The standards of content and performance for English language arts and mathematics established pursuant to NRS 389.520 with the standards for English language arts and mathematics that are tested on the National Assessment.

(b) The standards for proficiency established for the National Assessment with the standards for proficiency established for the examinations that are administered pursuant to NRS 390.105 and the examinations administered pursuant to NRS 390.600.

3. The report prepared by the Department pursuant to subsection 2 must be submitted to the:

- (a) Governor;
- (b) ~~Legislative~~ *Joint Interim Standing* Committee on Education;
- (c) Legislative Bureau of Educational Accountability and Program Evaluation; and
- (d) Council to Establish Academic Standards for Public Schools.

4. The Council to Establish Academic Standards for Public Schools shall review and evaluate the report provided to the Council pursuant to subsection 3 to identify any discrepancies in the standards of content and performance established by the Council that require revision and a timeline for carrying out the revision, if necessary. The Council shall submit a written report of its review and evaluation to the ~~Legislative~~ *Joint Interim Standing* Committee on Education and Legislative Bureau of Educational Accountability and Program Evaluation.

Sec. 45. NRS 439.983 is hereby amended to read as follows:

439.983 Upon the resolution of a public health emergency or other health event, the emergency team shall:

1. Make recommendations to the State Board of Health and local boards of health with respect to regulations or policies which may be adopted to prevent public health emergencies and other health events or to improve responses to public health emergencies and other health events; and

2. Evaluate the response of each state agency, division, board or other entity represented on the emergency team and make recommendations to the Governor and the Legislature or, if the Legislature is not in session, to the Legislative Commission and the ~~{Legislative}~~ *Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services* with respect to actions and measures that may be taken to improve such responses.

Sec. 46. NRS 439B.040 is hereby amended to read as follows:

439B.040 "Committee" means the ~~{Legislative}~~ *Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services*.

Sec. 47. NRS 439B.227 is hereby amended to read as follows:

439B.227 The ~~{Legislative}~~ *Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services* shall:

1. After each regular session of the Legislature, review any chapter added to this title or title 39 or 54 of NRS that authorizes or requires the issuance of a license, permit or certificate to a person who provides any service related to health care to determine if the person should be included as a person required to make a report pursuant to NRS 432B.220; and

2. Before the beginning of the next regular session of the Legislature, prepare a report concerning its findings pursuant to subsection 1 and submit the report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature. The report must include, without limitation, any recommended legislation.

Sec. 48. NRS 449.465 is hereby amended to read as follows:

449.465 1. The Director may, by regulation, impose fees upon admitted health insurers to cover the costs of carrying out the provisions of NRS 449.450 to 449.530, inclusive. The maximum amount of fees collected must not exceed the amount authorized by the Legislature in each biennial budget.

2. The Director shall impose a fee of \$50 each year upon admitted health insurers for the support of the ~~{Legislative}~~ *Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services*. The fee imposed pursuant to this subsection is in addition to any fee imposed pursuant to subsection 1. The fee collected for the support of the ~~{Legislative}~~ *Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services* must be deposited in the Legislative Fund.

Sec. 49. NRS 449.520 is hereby amended to read as follows:

449.520 1. On or before October 1 of each year, the Director shall prepare and transmit to the Governor, the ~~{Legislative}~~ *Joint Interim Standing*



Committee on Health ~~{Care}~~ and Human Services and the Interim Finance Committee a report of the Department's operations and activities for the preceding fiscal year.

2. The report prepared pursuant to subsection 1 must include:

(a) Copies of all reports, summaries, compilations and supplementary reports required by NRS 449.450 to 449.530, inclusive, together with such facts, suggestions and policy recommendations as the Director deems necessary;

(b) A summary of the trends of the audits of hospitals in this State that the Department required or performed during the previous year;

(c) An analysis of the trends in the costs, expenses and profits of hospitals in this State;

(d) An analysis of the methodologies used to determine the corporate home office allocation of hospitals in this State;

(e) An examination and analysis of the manner in which hospitals are reporting the information that is required to be filed pursuant to NRS 449.490, including, without limitation, an examination and analysis of whether that information is being reported in a standard and consistent manner, which fairly reflect the operations of each hospital;

(f) A review and comparison of the policies and procedures used by hospitals in this State to provide discounted services to, and to reduce charges for services provided to, persons without health insurance;

(g) A review and comparison of the policies and procedures used by hospitals in this State to collect unpaid charges for services provided by the hospitals; and

(h) A summary of the status of the programs established pursuant to NRS 439A.220 and 439A.240 to increase public awareness of health care information concerning the hospitals and surgical centers for ambulatory patients in this State, including, without limitation, the information that was posted in the preceding fiscal year on the Internet website maintained for those programs pursuant to NRS 439A.270.

3. The ~~{Legislative}~~ Joint Interim Standing Committee on Health ~~{Care}~~ and Human Services shall develop a comprehensive plan concerning the provision of health care in this State which includes, without limitation:

(a) A review of the health care needs in this State as identified by state agencies, local governments, providers of health care and the general public; and

(b) A review of the capital improvement reports submitted by hospitals pursuant to subsection 2 of NRS 449.490.

Sec. 50. NRS 481A.020 is hereby amended to read as follows:

481A.020 The designated representatives of this State to serve on the cooperating committee established by Article IV of the Multistate Highway Transportation Agreement are:

1. The Chair of the ~~{Senate}~~ Joint Interim Standing Committee on Transportation or a person designated by the Chair; and

2. The Vice Chair of the ~~{Assembly}~~ *Joint Interim Standing Committee on Transportation* or a person designated by the Vice Chair.

Sec. 51. NRS 482.367004 is hereby amended to read as follows:

482.367004 1. There is hereby created the Commission on Special License Plates ~~{The Commission is advisory to the Department and consists of five Legislators}~~ *consisting of the Joint Interim Standing Committee on Transportation* and three nonvoting members. ~~{as follows:~~

~~—(a) Five Legislators appointed by the Legislative Commission:~~

~~—(1) One of whom is the Legislator who served as the Chair of the Assembly Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Assembly Standing Committee on Transportation during the most recent legislative session.~~

~~—(2) One of whom is the Legislator who served as the Chair of the Senate Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Senate Standing Committee on Transportation during the most recent legislative session.~~

~~—(b) Three}~~

2. The three nonvoting members ~~{consisting of:~~

~~—(1)} of the Commission consist of:~~

(a) The Director of the Department of Motor Vehicles, or a designee of the Director.

~~{(2)}~~ (b) The Director of the Department of Public Safety, or a designee of the Director.

~~{(3)}~~ (c) The Director of the Department of Tourism and Cultural Affairs, or a designee of the Director.

~~{2. Each member of the Commission appointed pursuant to paragraph (a) of subsection 1 serves a term of 2 years, commencing on July 1 of each odd-numbered year. A vacancy on the Commission must be filled in the same manner as the original appointment.}~~

3. ~~{Members}~~ The nonvoting members of the Commission serve without salary or compensation for their travel or per diem expenses.

4. The Director of the Legislative Counsel Bureau shall provide administrative support to the Commission.

5. The Commission shall recommend to the Department that the Department approve or disapprove:

(a) Applications for the design, preparation and issuance of special license plates that are submitted to the Department pursuant to subsection 1 of NRS 482.367002;

(b) The issuance by the Department of special license plates that have been designed and prepared pursuant to NRS 482.367002; and

(c) Except as otherwise provided in subsection 7, applications for the design, preparation and issuance of special license plates that have been authorized by an act of the Legislature after January 1, 2007.

➡ In determining whether to recommend to the Department the approval of such an application or issuance, the Commission shall consider, without limitation, whether it would be appropriate and feasible for the Department to, as applicable, design, prepare or issue the particular special license plate. For the purpose of making recommendations to the Department, the Commission shall consider each application in the chronological order in which the application was received by the Department.

6. On or before September 1 of each fiscal year, the Commission shall compile a list of each special license plate for which the Commission, during the immediately preceding fiscal year, recommended to the Department that the Department approve the application for the special license plate or approve the issuance of the special license plate. The list so compiled must set forth, for each such plate, the cause or charitable organization for which the special license plate generates or would generate financial support, and the intended use to which the financial support is being put or would be put. The Commission shall transmit the information described in this subsection to the Department and the Department shall make that information available on its Internet website.

7. The provisions of paragraph (c) of subsection 5 do not apply with regard to special license plates that are issued pursuant to NRS 482.3751, 482.3752, 482.3757, 482.3783, 482.3785, 482.3787 or 482.37901.

8. The Commission shall:

(a) Recommend to the Department that the Department approve or disapprove any proposed change in the distribution of money received in the form of additional fees. As used in this paragraph, "additional fees" means the fees that are charged in connection with the issuance or renewal of a special license plate for the benefit of a particular cause, fund or charitable organization. The term does not include registration and license fees or governmental services taxes.

(b) If it recommends a proposed change pursuant to paragraph (a) and determines that legislation is required to carry out the change, recommend to the Department that the Department request the assistance of the Legislative Counsel in the preparation of a bill draft to carry out the change.

Sec. 52. ~~[NRS 528.150 is hereby amended to read as follows:]~~

~~528.150 1. On or before January 1 of each year, the State Forester Firewarden shall, in coordination and cooperation with the Tahoe Regional Planning Agency and the fire chiefs within the Lake Tahoe Basin, submit a report concerning fire prevention and forest health in the Nevada portion of the Lake Tahoe Basin to:~~

~~(a) The [Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and Marlette Lake Water System created by NRS 218E.555] Joint Interim Standing Committee on Government Affairs and~~

~~to the Director of the Legislative Counsel Bureau for transmittal to the Legislature;~~

~~— (b) The Governor;~~

~~— (c) The Tahoe Regional Planning Agency; and~~

~~— (d) Each United States Senator and Representative in Congress who is elected to represent the State of Nevada.~~

~~2. The report submitted by the State Forester Firewarden pursuant to subsection 1 must address, without limitation:~~

~~— (a) The status of:~~

~~— (1) The implementation of plans for the prevention of fires in the Nevada portion of the Lake Tahoe Basin, including, without limitation, plans relating to the reduction of fuel for fires;~~

~~— (2) Efforts concerning forest restoration in the Nevada portion of the Lake Tahoe Basin; and~~

~~— (3) Efforts concerning rehabilitation of vegetation, if any, as a result of fire in the Nevada portion of the Lake Tahoe Basin.~~

~~— (b) Compliance with:~~

~~— (1) The goals and policies for fire prevention and forest health in the Nevada portion of the Lake Tahoe Basin; and~~

~~— (2) Any recommendations concerning fire prevention or public safety made by any fire department or fire protection district in the Nevada portion of the Lake Tahoe Basin.~~

~~— (c) Any efforts to:~~

~~— (1) Increase public awareness in the Nevada portion of the Lake Tahoe Basin regarding fire prevention and public safety; and~~

~~— (2) Coordinate with other federal, state, local and private entities with regard to projects to reduce fire hazards in the Nevada portion of the Lake Tahoe Basin.] (Deleted by amendment.)~~

Sec. 53. 1. Except as otherwise provided in subsection 2 or another provision of this act, if the provisions of any other provision of the Nevada Revised Statutes or any other act or resolution passed by any session of the Nevada Legislature, including, without limitation, the 79th Session of the Nevada Legislature, assign a power or duty to a committee abolished by this act or require the submission of a document or information to such a committee:

(a) The provisions of the other statute, act or resolution that assign the power or duty or require the submission of the document or information are superseded and abrogated by the provisions of this act; and

(b) The Legislative Counsel shall, in revising the Nevada Revised Statutes, assign the power or duty or require the document or information to be submitted to the Joint Interim Standing Committee created by section 6 of this act which has jurisdiction over the subject matter of the power, duty, document or information.

2. A Joint Interim Standing Committee created by section 6 of this act may conduct a legislative study or investigation only within the limits of the

Committee's budget and work program established pursuant to section 8 of this act. If the subject matter of a legislative study or investigation falls within the jurisdiction of more than one Joint Interim Standing Committee created by section 6 of this act, the Legislative Commission shall assign the study or investigation based on the budgets and work programs approved by the Legislative Commission for the Joint Interim Standing Committees.

3. As used in this section, "legislative study or investigation" includes, without limitation, any:

- (a) Interim legislative study or investigation; or
- (b) Legislative study or investigation assigned to a statutory legislative committee, including, without limitation, a statutory legislative committee abolished by the provisions of this act.

Sec. 54. 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. 55. 1. NRS 176.0121, 176.0123, 176.0124, 176.01245, 176.01246, 176.01247, 176.0125, 176.01255, 176.0126, 209.4817, 218E.225, ~~218E.420,~~ 218E.500, 218E.505, 218E.510, 218E.515, ~~218E.550, 218E.555, 218E.560, 218E.570,~~ 218E.600, 218E.605, 218E.610, 218E.700, 218E.705, 218E.710, 218E.715, 218E.720, 218E.745, 218E.750, 218E.755, 218E.760, 218E.800, 218E.805, 218E.810, 439B.200, 439B.210 and 459.0085 are hereby repealed.

2. Section 2 of chapter 53, Statutes of Nevada 2015, at page 238 is hereby repealed.

Sec. 56. This act becomes effective upon passage and approval.

#### LEADLINES OF REPEALED SECTIONS OF NRS AND TEXT OF REPEALED SECTION OF STATUTES OF NEVADA

176.0121 "Commission" defined.

176.0123 Creation; members and appointing authorities; Chair; terms; vacancies; salaries and per diem; staff.

176.0124 Subcommittee on Juvenile Justice; creation; Chair; members; duties; salaries and per diem.

176.01245 Subcommittee on Victims of Crime; creation, Chair; members; duties; salaries and per diem.

176.01246 Subcommittee to Review Arrestee DNA: Creation; Chair; members; duties; salaries and per diem.

176.01247 Subcommittee on Medical Use of Marijuana: Creation; Chair; members; duties; salaries and per diem.

176.0125 Duties of Commission.

176.01255 Grants, bequests, devises, donations and gifts; Special Account for the Support of the Advisory Commission on the Administration of Justice.

176.0126 Subpoenas: Power to issue; compelling performance.

209.4817 Committee on Industrial Programs: Creation; members; terms of appointed members; appointment of alternate members; payment of compensation, allowances and travel expenses.

218E.225 Committee to review management, organization and operation of Legislative Counsel Bureau.

~~[ 218E.420 Creation; membership; budget; officers; meetings; investigations; hearings; compensation, allowances and expenses of members.]~~

218E.500 Legislative findings and declarations.

218E.505 "Committee" defined.

218E.510 Creation; membership; budget; officers; terms; vacancies; alternates.

218E.515 Meetings; rules; quorum; compensation, allowances and expenses of members.

~~[ 218E.550 "Committee" defined.~~

~~218E.555 Creation; membership; budget; officers; terms; vacancies; reports.~~

~~218E.560 Meetings; rules; quorum; compensation, allowances and expenses of members.~~

~~218E.570 General powers.]~~

218E.600 "Committee" defined.

218E.605 Creation; membership; budget; officers; terms; vacancies.

218E.610 Meetings; quorum; compensation, allowances and expenses of members.

218E.700 "Committee" defined.

218E.705 Creation; membership; budget; officers; terms; vacancies.

218E.710 Meetings; quorum; compensation, allowances and expenses of members.

218E.715 General duties.

218E.720 General powers.

218E.745 "Committee" defined.

218E.750 Creation; membership; budget; officers; terms; vacancies.

218E.755 Meetings; quorum; compensation, allowances and expenses of members.

218E.760 General powers.

218E.800 "Committee" defined.

218E.805 Creation of Legislative Committee on Energy; membership; budget; officers; terms; vacancies.

218E.810 Meetings; quorum; compensation, allowances and expenses of members.

439B.200 Creation; appointment of and restrictions on members; officers; terms of members; vacancies; annual reports.

439B.210 Meetings; quorum; compensation.

459.0085 Creation; membership; duties; compensation and expenses of members.

Section 2 of chapter 53, Statutes of Nevada 2015, at page 238:

Sec. 2. 1. The Advisory Commission on the Administration of Justice created by NRS 176.0123 shall appoint a subcommittee to

conduct an interim study concerning parole, and make a report thereof.

2. The study and report must include, without limitation:

(a) An evaluation of:

(1) The federal Sentencing Reform Act of 1984 which established determinate sentencing and abolished parole;

(2) The parole systems of this State and other states and territories of the United States;

(3) The states that replaced discretionary parole systems with mandatory parole systems; and

(4) Any other matter that the Advisory Commission determines is relevant to the discussion.

(b) Recommendations regarding, without limitation, necessary statutory changes to the current parole system.

3. The subcommittee shall submit a report of the results of the study and any recommendations for legislation to the full Advisory Commission not later than September 1, 2016.

Senator Cannizzaro moved the adoption of the amendment.

Remarks by Senator Cannizzaro.

Amendment No. 654 to Senate Bill No. 507 makes a technical change to modify the composition of the Commission on Special License Plates to include members of the Joint Interim Standing Committee on Transportation; removes provisions in the bill that would have repealed and reassigned to joint interim standing committees the Interim Retirement and Benefits Committee and the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System; and makes a few minor technical corrections ensure the names of two joint interim standing committees are matched appropriately with the interim committees proposed for repeal. These technical adjustments are made in sections 20, 34 and 44.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Senate Bill No. 524.

Bill read second time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 721.

SUMMARY—Makes ~~for~~ supplemental ~~appropriation~~ appropriations to the Division of Forestry of the State Department of Conservation and Natural Resources for a projected shortfall for certain activities. ~~related to higher than anticipated costs for fire suppression and emergency response.~~ (BDR S-1173)

AN ACT making ~~for~~ supplemental ~~appropriation~~ appropriations to the Division of Forestry of the State Department of Conservation and Natural Resources for a projected shortfall for activities related to higher than anticipated costs for fire suppression and emergency response ~~for~~ and conservation camp crews working on nonreimbursable flooding related projects; 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 Division of Forestry of the State Department of Conservation and Natural Resources the sum of ~~(\$7,060,885)~~ \$6,063,934 for a projected shortfall related to higher than anticipated costs for fire suppression and emergency response. This appropriation is supplemental to that made by section 26 of chapter 534, Statutes of Nevada 2015, at page 3675.

Sec. 2. There is hereby appropriated from the State General Fund to the Division of Forestry of the State Department of Conservation and Natural Resources the sum of \$182,032 for a projected shortfall related to conservation camp crews working on nonreimbursable flooding related projects. This appropriation is supplemental to that made by section 26 of chapter 534, Statutes of Nevada 2015, at page 3675.

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

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

The amendment, in section 1 to Senate Bill No. 524 reduces the amount appropriated from the State General Fund by \$996,951 from \$7,060,885 to \$6,063,934 for a projected shortfall related to higher than anticipated costs for fire suppression and emergency response. In addition, the amendment revises section 2 to appropriate \$182,032 from the State General Fund to the Forestry Conservation Camp budget for a projected shortfall in project revenues as a result of inmate crews working on flood-related projects that are non-reimbursable. Finally, the effective date of the bill is moved from section 2 to section 3.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 163.

Bill read second time.

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

Amendment No. 856.

SUMMARY—Revises provisions governing certain short-term loans.  
(BDR 52-737)

AN ACT relating to financial services; requiring a person who is licensed to operate certain loan services to verify a customer's ability to repay the loan before making certain short-term loans to the customer; requiring a person who makes a deferred deposit loan to offer an extended payment plan under certain circumstances; providing that certain contracts for the lease of an animal are subject to certain requirements imposed on high-interest loans; revising provisions governing defaults, lengths of term and grace periods relating to certain short-term loans; requiring certain notices to be posted by a person who is licensed to operate certain loan services; revising the requirements for making a title loan; and providing other matters properly relating thereto.



## Legislative Counsel's Digest:

Existing law establishes standards and procedures governing the making of certain short-term loans, commonly referred to as "payday loans," "high-interest loans" and "title loans." (Chapter 604A of NRS) Section 1.3 of this bill: (1) prohibits a person from making such a loan unless the person has determined that the customer has the ability to repay the loan; and (2) establishes the factors that the person making the loan must consider when determining whether a customer has the ability to repay the loan. Section 1.3 also requires that the loan comply with the statutory requirements applicable to the type of loan involved. Section 1.7 of this bill requires a person who makes a deferred deposit loan to offer an extended payment plan to the customer under certain circumstances.

Section 3.5 of this bill includes in the definition of "high-interest loan" a contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose which charges an annual percentage rate of more than 40 percent. Thus, under section 3.5, such lease contracts would be subject to the requirements of existing law for high-interest loans.

Existing law allows for a person making a payday loan, high-interest loan or title loan to offer the customer a grace period concerning repayment of the loan. (NRS 604A.210) Section 3 of this bill distinguishes a grace period from an extension of a loan that complies with certain statutory requirements. Section 4 of this bill prohibits a person making the loan from granting a grace period for the purpose of artificially increasing the amount a customer qualifies to borrow, or, with certain exceptions, from conditioning the grace period on the customer's agreement to a new loan or a modification of the terms of the existing loan or the charging of interest at a rate in excess of that provided by the existing loan agreement.

Existing law requires a person making a payday loan, high-interest loan or title loan to post certain notices in a conspicuous place in every location at which the person conducts business. (NRS 604A.405) Section 5 of this bill provides that the person must post a notice of the existing requirement that the person must offer a repayment plan to a customer who defaults on a loan before the person commences specified collection actions. Section 5 also provides that the person must post a notice that states the process for customers to file a complaint with the Office of the Commissioner of Financial Institutions.

Existing law sets forth certain restrictions on the actions of a person licensed to operate certain loan services. (NRS 604A.440) Section 6 of this bill adds to those restrictions a limitation on the reinitiation of electronic debit transactions.

Existing law provides restrictions on the making of title loans. (NRS 604A.450) Section 7 of this bill adds to those restrictions by specifying that the customer must legally own the vehicle which secures the loan and that the person making the loan cannot consider the income, except for the customer's community ~~income,~~ property, of anyone who is not a legal owner

of the vehicle who enters into a loan agreement with the licensee when determining whether the customer has the ability to repay the loan.

Section 8 of this bill makes conforming changes.

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

Section 1. Chapter 604A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.7 of this act.

Sec. 1.3. 1. *A licensee shall not make a loan pursuant to this chapter unless the licensee determines pursuant to subsection 2 that the customer has the ability to repay the loan and that the loan complies with the provisions of NRS 604A.425, 604A.450 or subsection 2 of NRS 604A.480, as applicable.*

2. *For the purposes of subsection 1, a customer has the ability to repay a loan if the customer has a reasonable ability to repay the loan, as determined by the licensee after considering , to the extent available, the following underwriting factors:*

- (a) The current or reasonably expected income of the customer;*
- (b) The current employment status of the customer based on evidence including, without limitation, a pay stub or bank deposit;*
- (c) The credit history of the customer;*
- (d) The amount due under the original term of the loan, the monthly payment on the loan, if the loan is an installment loan, or the potential repayment plan if the customer defaults on the loan; and*
- (e) Other evidence, including, without limitation, bank statements, electronic bank statements and written representations to the licensee.*

3. *For the purposes of subsection 1, a licensee shall not consider the ability of any person other than the customer to repay the loan.*

Sec. 1.7. 1. *A licensee shall allow a customer with an outstanding deferred deposit loan to enter into an extended payment plan if the customer:*

- (a) Has not entered into an extended payment plan for the deferred deposit loan during the immediately preceding 12-month period; and*
- (b) Requests an extended repayment plan before the time the deferred deposit loan is due.*

2. *An extended payment plan entered into pursuant to subsection 1 must:*

- (a) Be in writing and be signed by the licensee and customer; and*
- (b) Provide a payment schedule of at least four payments over a period of at least 60 days.*

3. *An extended payment plan entered into pursuant to subsection 1 must not:*

- (a) Increase or decrease the amount owed under the deferred deposit loan.*
- (b) Include any interest or fees in addition to those charged under the terms of the deferred deposit loan.*

4. *If a customer defaults under an extended payment plan entered into pursuant to this section, the licensee may terminate the extended payment plan and accelerate the requirement to pay the amount owed.*

Sec. 2. NRS 604A.045 is hereby amended to read as follows:

604A.045 1. "Default" means the failure of a customer to:

(a) Make a scheduled payment on a loan on or before the due date for the payment under the terms of a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 ; ~~for under the terms of any lawful extension or repayment plan relating to the loan, and any grace period that complies with the provisions of NRS 604A.210;~~ or

(b) Pay a loan in full on or before ~~the~~:

~~—(1) The~~ the expiration of the ~~initial~~ loan period as set forth in a lawful loan agreement *that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable*, and any grace period that complies with the provisions of NRS 604A.210 . ~~the~~ or

~~—(2) The due date of any lawful extension or repayment plan relating to the loan and any grace period that complies with the provisions of NRS 604A.210, provided that the due date of the extension or repayment plan does not violate the provisions of this chapter.~~

2. A default occurs on the day immediately following the date of the customer's failure to perform as described in subsection 1.

Sec. 3. NRS 604A.070 is hereby amended to read as follows:

604A.070 1. "Grace period" means any period of deferment offered gratuitously by a licensee to a customer if the licensee complies with the provisions of NRS 604A.210.

2. *The term does not include an extension of a loan that complies with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, as applicable.*

Sec. 3.5. NRS 604A.0703 is hereby amended to read as follows:

604A.0703 1. "High-interest loan" means a loan made to a customer pursuant to a loan agreement which, under its original terms, charges an annual percentage rate of more than 40 percent.

2. The term includes, without limitation, any single-payment loan, installment loan , ~~or~~ open-ended loan *or contract for the lease of an animal for a purpose other than a business, commercial or agricultural purpose* which, under ~~its~~ the original terms ~~of~~ of the loan or contract, charges an annual percentage rate of more than 40 percent.

3. The term does not include:

- (a) A deferred deposit loan;
- (b) A refund anticipation loan; or
- (c) A title loan.

Sec. 4. NRS 604A.210 is hereby amended to read as follows:

604A.210 1. The provisions of this chapter do not prohibit a licensee from offering a customer a grace period on the repayment of a loan or an extension of a loan, except that the licensee shall not ~~charge the customer:~~

~~—1. Any fees for granting such a grace period; or~~

~~2. Any additional fees or additional interest on the outstanding loan during such a grace period.~~

~~1. grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.~~

~~2. Except for a loan agreement governed by in compliance with the provisions of NRS 604A.408, 604A.445 or subsection 2 of NRS 604A.480, where they apply, a licensee shall not:~~

(a) Condition the granting of the grace period on the customer making any new loan agreement or adding any addendum or term to an existing loan agreement; or

(b) Charge the customer interest at a rate in excess of that described in the existing loan agreement.

~~2. Grant a grace period for the purpose of artificially increasing the amount which a customer would otherwise qualify to borrow.~~

Sec. 5. NRS 604A.405 is hereby amended to read as follows:

604A.405 1. A licensee shall post in a conspicuous place in every location at which the licensee conducts business under his or her license:

(a) A notice that states the fees the licensee charges for providing check-cashing services, deferred deposit loan services, high-interest loan services or title loan services.

(b) A notice that states that if the customer defaults on a loan, the licensee must offer a repayment plan to the customer before the licensee commences any civil action or process of alternative dispute resolution or repossesses a vehicle.

(c) A notice that states a toll-free telephone number to the Office of the Commissioner to handle concerns or complaints of customers.

(d) A notice that states the process for filing a complaint with the Commissioner.

➤ The Commissioner shall adopt regulations prescribing the form and size of the notices required by this subsection.

2. If a licensee offers loans to customers at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means, except for an automated loan machine prohibited by NRS 604A.400, the licensee shall, as appropriate to the location or method for making the loan, post in a conspicuous place where customers will see it before they enter into a loan, or disclose in an open and obvious manner to customers before they enter into a loan, a notice that states:

(a) The types of loans the licensee offers and the fees he or she charges for making each type of loan; and

(b) A list of the states where the licensee is licensed or authorized to conduct business from outside this State with customers located in this State.

3. A licensee who provides check-cashing services shall give written notice to each customer of the fees he or she charges for cashing checks. The

customer must sign the notice before the licensee provides the check-cashing service.

Sec. 5.5. NRS 604A.408 is hereby amended to read as follows:

604A.408 1. Except as otherwise provided in this chapter, the original term of a deferred deposit loan or high-interest loan must not exceed 35 days.

2. The original term of a high-interest loan may be up to 90 days if:

- (a) The loan provides for payments in installments;
- (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
- (c) The loan is not subject to any extension; ~~and~~
- (d) The loan does not require a balloon payment of any kind ~~+~~; *and*
- (e) *The loan is not a deferred deposit loan.*

3. Notwithstanding the provisions of NRS 604A.480, a licensee shall not agree to establish or extend the period for the repayment, renewal, refinancing or consolidation of an outstanding deferred deposit loan or high-interest loan for a period that exceeds 90 days after the date of origination of the loan.

Sec. 6. NRS 604A.440 is hereby amended to read as follows:

604A.440 A licensee shall not:

1. Use or threaten to use the criminal process in this State or any other state, or any civil process not available to creditors generally, to collect on a loan made to a customer.

2. Commence a civil action or any process of alternative dispute resolution or repossess a vehicle before the customer defaults under the original term of a loan agreement or before the customer defaults under any repayment plan ~~+~~ or extension ~~for grace period~~ negotiated and agreed to by the licensee and customer, unless otherwise authorized pursuant to this chapter.

3. Take any confession of judgment or any power of attorney running to the licensee or to any third person to confess judgment or to appear for the customer in a judicial proceeding.

4. Include in any written agreement:

- (a) A promise by the customer to hold the licensee harmless;
- (b) A confession of judgment by the customer;
- (c) An assignment or order for the payment of wages or other compensation due the customer; or
- (d) A waiver of any claim or defense arising out of the loan agreement or a waiver of any provision of this chapter. The provisions of this paragraph do not apply to the extent preempted by federal law.

5. Engage in any deceptive trade practice, as defined in chapter 598 of NRS, including, without limitation, making a false representation.

6. Advertise or permit to be advertised in any manner any false, misleading or deceptive statement or representation with regard to the rates, terms or conditions for loans.

7. *Reinitiate an electronic debit transaction that has been returned by a customer's bank except in accordance with the rules prescribed by the*

*National Automated Clearing House Association or its successor organization.*

8. Use or attempt to use any agent, affiliate or subsidiary to avoid the requirements or prohibitions of this chapter.

Sec. 6.5. NRS 604A.445 is hereby amended to read as follows:

604A.445 Notwithstanding any other provision of this chapter to the contrary:

1. The original term of a title loan must not exceed 30 days.
2. The title loan may be extended for not more than six additional periods of extension, with each such period not to exceed 30 days, if:
  - (a) Any interest or charges accrued during the original term of the title loan or any period of extension of the title loan are not capitalized or added to the principal amount of the title loan during any subsequent period of extension;
  - (b) The annual percentage rate charged on the title loan during any period of extension is not more than the annual percentage rate charged on the title loan during the original term; and
  - (c) No additional origination fees, set-up fees, collection fees, transaction fees, negotiation fees, handling fees, processing fees, late fees, default fees or any other fees, regardless of the name given to the fees, are charged in connection with any extension of the title loan.

3. The original term of a title loan may be up to 210 days if:
  - (a) The loan provides for payments in installments;
  - (b) The payments are calculated to ratably and fully amortize the entire amount of principal and interest payable on the loan;
  - (c) The loan is not subject to any extension; ~~and~~
  - (d) The loan does not require a balloon payment of any kind ~~[-]~~; and
  - (e) *The loan is not a deferred deposit loan.*

Sec. 7. NRS 604A.450 is hereby amended to read as follows:

604A.450 A licensee who makes title loans shall not:

1. Make a title loan that exceeds the fair market value of the vehicle securing the title loan.
2. *Make a title loan to a customer secured by a vehicle which is not legally owned by the customer.*
3. ~~Make a title loan without regard to the ability of the customer seeking the title loan to repay the title loan, including the customer's current and expected income, obligations and employment.~~  
*—3.— determining that the customer has the ability to repay the title loan, as required by section 1.3 of this act. In complying with this subsection, the licensee shall not consider the income of any person who is not a legal owner of the vehicle securing the title loan but may consider a customer's community ~~income~~ property and the income of any other customers who consent to the loan pursuant to subsection 5 and enter into a loan agreement with the licensee.*
4. Make a title loan without requiring the customer to sign an affidavit which states that:

(a) The customer has provided the licensee with true and correct information concerning the customer's income, obligations, employment and ownership of the vehicle; and

(b) The customer has the ability to repay the title loan.

5. *Make a title loan secured by a vehicle with multiple legal owners without the consent of each owner.*

Sec. 8. NRS 604A.930 is hereby amended to read as follows:

604A.930 1. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, if a person violates any provision of NRS 604A.400, 604A.410 to 604A.500, inclusive, *and sections 1.3 and 1.7 of this act*, 604A.610, 604A.615, 604A.650 or 604A.655 or any regulation adopted pursuant thereto, the customer may bring a civil action against the person for:

(a) Actual and consequential damages;

(b) Punitive damages, which are subject to the provisions of NRS 42.005;

(c) Reasonable attorney's fees and costs; and

(d) Any other legal or equitable relief that the court deems appropriate.

2. Subject to the affirmative defense set forth in subsection 3, in addition to any other remedy or penalty, the customer may bring a civil action against a person pursuant to subsection 1 to recover an additional amount, as statutory damages, which is equal to \$1,000 for each violation if the person knowingly:

(a) Operates a check-cashing service, deferred deposit loan service, high-interest loan service or title loan service without a license, in violation of NRS 604A.400;

(b) Fails to include in a loan agreement a disclosure of the right of the customer to rescind the loan, in violation of NRS 604A.410;

(c) Violates any provision of NRS 604A.420;

(d) Accepts collateral or security for a deferred deposit loan, in violation of NRS 604A.435, except that a check or written authorization for an electronic transfer of money shall not be deemed to be collateral or security for a deferred deposit loan;

(e) Uses or threatens to use the criminal process in this State or any other state to collect on a loan made to the customer, in violation of NRS 604A.440;

(f) Includes in any written agreement a promise by the customer to hold the person harmless, a confession of judgment by the customer or an assignment or order for the payment of wages or other compensation due the customer, in violation of NRS 604A.440;

(g) Violates any provision of NRS 604A.485;

(h) Violates any provision of NRS 604A.490; or

(i) Violates any provision of NRS 604A.442.

3. A person may not be held liable in any civil action brought pursuant to this section if the person proves, by a preponderance of evidence, that the violation:

(a) Was not intentional;

(b) Was technical in nature; and

(c) Resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

4. For the purposes of subsection 3, a bona fide error includes, without limitation, clerical errors, calculation errors, computer malfunction and programming errors and printing errors, except that an error of legal judgment with respect to the person's obligations under this chapter is not a bona fide error.

Sec. 9. 1. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before July 1, 2017, ~~is~~ and that does not comply with sections 1, 1.3, 2, 3, 4, 5.5 to 6.5, inclusive, 8 and 9 of this act remains in effect in accordance with the provisions of the contract or agreement.

2. Any contract or agreement that is entered into pursuant to chapter 604A of NRS before October 1, 2017, and that does not comply with sections 1.7, 3.5, 5 and 7 of this act remains in effect in accordance with the provisions of the contract or agreement.

Sec. 10. 1. This section and sections 1, 1.3, 2, 3, 4, 5.5, 6, 6.5, 8 and 9 of this act ~~(becomes)~~ become effective on July 1, 2017.

2. Sections 1.7, 3.5, 5 and 7 of this act become effective on October 1, 2017.

Senator Atkinson moved the adoption of the amendment.

Remarks by Senator Atkinson.

Amendment No. 856 to Assembly Bill No. 163 clarifies the person making the loan must consider, to the extent available, certain factors when determining whether a customer has the ability to repay the loan. It allows a licensee to offer a customer a grace period on the repayment of a loan or an extension of the loan, except a licensee must not grant a grace period for the purpose of artificially increasing the amount a customer would otherwise qualify to borrow; changes a customer's "community income" to a customer's "community property" in section 7 of the bill, and changes the effective date for certain sections of the bill from July 1, 2017 to October 1, 2017.

Amendment adopted.

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

Assembly Bill No. 244.

Bill read second time and ordered to third reading.

Assembly Bill No. 457.

Bill read second time.

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

Amendment No. 860.

SUMMARY—Revises provisions relating to certain professional licensing boards. (BDR 54-410)

AN ACT relating to professional licensing; requiring 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 to report certain information to the ~~Commission on Behavioral~~



~~Health,~~ Legislative Committee on Health Care; requiring new members of those boards to complete an orientation; requiring those boards to adopt certain policies and regulations; authorizing those boards to enter into certain agreements; authorizing a person aggrieved by certain actions of those boards to appeal to the Commission; requiring the Commission to review all regulations adopted by those boards; revising the qualifications of certain members of the Commission; prohibiting certain persons from serving on the Commission; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes: (1) the Board of Psychological Examiners, which regulates psychologists, behavior analysts and assistant behavior analysts; (2) the Board of Examiners for Marriage and Family Therapists and Clinical Professional Counselors, which regulates marriage and family therapists and clinical professional counselors; (3) the Board of Examiners for Social Workers, which regulates social workers; and (4) the Board of Examiners for Alcohol, Drug and Gambling Counselors, which regulates alcohol, drug and problem gambling counselors. (Chapters 641-641C of NRS) Sections 2, 11, 18 and 25 of this bill require those boards to submit an annual report to the ~~(Commission on Behavioral Health)~~ Legislative Committee on Health Care concerning investigations and review of applications for the issuance or renewal of a license or certificate. Sections 3, 12, 19 and 26 of this bill: (1) require each new member of those boards to complete an orientation within 60 days after appointment; and (2) require each board to establish policies concerning compensation and reviewing the performance of the staff of the board. Sections 4, 13, 20 and 27 of this bill authorize the boards to enter into agreements with the Department of Health and Human Services or a division thereof to carry out or improve the performance of the boards' duties.

Sections 5, 16, 21 and 28 of this bill require the same boards to adopt online application forms for the issuance or renewal of a license or certificate. Sections 6, 14, 22, 29 and 34 of this bill authorize a person aggrieved by an order of any of those boards in refusing to issue or renew a license or certificate or imposing disciplinary action to appeal that order to the Commission on Behavioral Health. Sections 34.5 and 37 of this bill provide for the expiration of the provisions authorizing such appeals on January 1, 2020. Sections 7, 15, 23 and 30 of this bill require each of the boards to adopt regulations establishing: (1) standards concerning the locations at which ~~(interns)~~ persons obtaining supervised experience in psychology that is required for licensure provide services; (2) standards concerning the supervision of ~~(interns)~~ such persons working at remote sites; and (3) a manner in which the qualifications for issuance or renewal of a license will be made available to the public. Sections 7, 15, 23, 30 and 34 also require the Commission to review and make recommendations concerning all regulations adopted by the boards. Section 32 of this bill: (1) revises the qualifications of certain members of the Commission; and (2) prohibits a member of any of those boards from serving concurrently as a member of the Commission. Section 35 of this bill requires

each of the boards to submit a report to the ~~{Commission}~~ Legislative Committee on Health Care on or before January 1, 2018, concerning the costs of the board, the fees imposed by the board and the efforts of the board to recognize licenses, certificates and other credentials from jurisdictions outside this State and to carry out the provisions of this bill.

WHEREAS, Licensing boards that issue licenses and certificates to behavioral health professionals have an obligation to protect the safety of the public, promote the provision of high-quality behavioral health care and facilitate the licensure and certification of behavioral health professionals; and

WHEREAS, To achieve these objectives, such boards must develop and implement fair and transparent policies and procedures for the licensing, certification and regulation of behavioral health professionals; and

WHEREAS, The implementation of such policies and procedures will increase the availability and accessibility of high-quality behavioral health services to the residents of this State; now, therefore,

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

Section 1. Chapter 641 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this act.

Sec. 2. *On or before February 1 of each year, the Board shall submit to the ~~{Commission on Behavioral Health}~~ Legislative Committee on Health Care a report which must include:*

1. *The number of complaints received, investigations completed, cases dismissed, cases settled and cases for which hearings were held within the immediately preceding calendar year; and*

2. *The number of applications for the issuance or renewal of a license received by the Board during the immediately preceding calendar year and the number of those applications for which the Board conducted additional review beyond the standard review regularly conducted by the Board.*

Sec. 3. *The Board shall:*

1. *Require each new member of the Board to complete orientation within 60 days after his or her appointment to the Board. The orientation must include, without limitation, instruction concerning:*

(a) *The purposes of the Board and the duties of its members;*

(b) *Applicable laws and regulations, including, without limitation, the provisions of NRS 641.230 to 641.320, inclusive, and section 6 of this act and the importance of complying with applicable laws and regulations in a timely manner; and*

(c) *Requirements concerning managing the finances of the Board.*

2. *Establish policies concerning compensation and reviewing the performance of the staff of the Board.*

Sec. 4. *The Board may enter into an agreement with the Department of Health and Human Services or a division thereof to provide services to carry out or improve any function of the Board. Such services may include, without limitation:*

1. Assistance in processing applications for the issuance or renewal of licenses;
2. Technical assistance;
3. Facilitating cooperation with other boards and licensing entities in this State or any other jurisdiction;
4. Recommendations to improve and standardize procedures used by the Board; and
5. Assistance in identifying resources for improving the operations of the Board.

Sec. 5. The Board shall prescribe forms for applying for the issuance or renewal of a license. The forms must:

1. Be available to be completed on the Internet website maintained by the Board;
2. Provide immediate, automatic feedback to the applicant concerning whether the applicant has submitted all required information; and
3. Automatically store the data submitted by the applicant upon completion of the application.

Sec. 6. 1. Not later than 30 days after the Board denies an application for the issuance or renewal of a license or issues an order imposing disciplinary action against a licensee, the applicant or licensee aggrieved by the order may submit an appeal to the Commission on Behavioral Health. The Commission shall notify the Board not later than 10 days after receiving such an appeal.

2. The Commission shall, upon an appeal submitted pursuant to subsection 1, investigate the refusal of the Board to issue or renew a license or any disciplinary action imposed by the Board. The action of the Board remains in effect until the Commission renders a decision pursuant to subsection 3.

3. After conducting an investigation pursuant to subsection 2, the Commission shall render a decision on the appeal. In rendering a decision, the Commission shall presume that the action of the Board was proper and shall not substitute its judgment for that of the Board concerning the weight of evidence on a question of fact. The Commission may order the Board to issue or renew the license or modify or set aside the disciplinary action, as applicable, only if the Commission finds that the action of the Board:

- (a) Violates constitutional or statutory provisions;
- (b) Exceeds the statutory authority of the agency;
- (c) Was made upon unlawful procedure;
- (d) Is affected by other error of law;
- (e) Is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or
- (f) Is arbitrary or capricious or characterized by abuse of discretion.

4. An investigation conducted by the Commission pursuant to the provisions of this section is limited to the application for the issuance or renewal of a license and any information submitted in conjunction with the

*application or the record of the disciplinary proceeding created by the Board, as applicable. The Board shall provide those records to the Commission upon request. Unless the information is deemed a public record under the provisions of NRS 641.090 or 641.240 or other applicable law, the Commission shall keep the information confidential.*

Sec. 7. NRS 641.100 is hereby amended to read as follows:

641.100 1. *The Board shall adopt regulations prescribing:*

*(a) Uniform standards concerning the locations at which ~~interns~~ persons obtaining supervised experience that is required for licensure by the Board provide services;*

*(b) Standards concerning the electronic supervision of ~~interns~~ persons obtaining supervised experience that is required for licensure by the Board who are working at remote sites; and*

*(c) A manner by which the qualifications for the issuance or renewal of a license under the provisions of this chapter will be made available to the public such that those qualifications are clearly defined and easily understood.*

2. The Board may make and promulgate any other rules and regulations not inconsistent with the provisions of this chapter governing its procedure, the examination and licensure of applicants, the granting, refusal, revocation or suspension of licenses, the practice of psychology and the practice of applied behavior analysis.

3. *On the date that the Board gives notice pursuant to NRS 233B.060 of its intent to adopt, amend or repeal a regulation, the Board shall submit the regulation to the Commission on Behavioral Health for review. The Commission shall review the regulation and make recommendations to the Board concerning the advisability of adopting, amending or repealing the regulation and any changes that the Commission deems advisable.*

Sec. 8. NRS 641.160 is hereby amended to read as follows:

641.160 1. Each person desiring a license must:

(a) Make application to the Board upon a form, and in a manner, prescribed by the Board ~~+~~ pursuant to section 5 of this act. The application must be accompanied by the application fee prescribed by the Board and include all information required to complete the application.

(b) As part of the application and at his or her own expense:

(1) Arrange to have a complete set of fingerprints taken by a law enforcement agency or other authorized entity acceptable to the Board; and

(2) Submit to the Board:

(I) 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 a report on the applicant's background, and to such other law enforcement agencies as the Board deems necessary for a report on the applicant's background; or

(II) Written verification, on a form prescribed by the Board, stating that the set of fingerprints of the applicant was taken and directly forwarded

electronically or by other means to the Central Repository for Nevada Records of Criminal History and that the applicant provided written permission authorizing the law enforcement agency or other authorized entity taking the fingerprints to submit the 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 Board deems necessary for a report on the applicant's background.

2. The Board may:

(a) Unless the applicant's fingerprints are directly forwarded pursuant to sub-subparagraph (II) of subparagraph (2) of paragraph (b) of subsection 1, submit those fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation and to such other law enforcement agencies as the Board deems necessary; and

(b) Request from each agency to which the Board submits the fingerprints any information regarding the applicant's background as the Board deems necessary.

3. An application is not considered complete and received for purposes of evaluation pursuant to subsection 4 of NRS 641.170 until the Board receives a complete set of fingerprints or verification that the fingerprints have been forwarded electronically or by other means to the Central Repository for Nevada Records of Criminal History, and written authorization from the applicant pursuant to this section.

Sec. 9. NRS 641.312 is hereby amended to read as follows:

641.312 1. Any person who has been placed on probation or whose license has been limited, suspended or revoked , *and whose appeal pursuant to section 6 of this act has been denied*, is entitled to judicial review of the order.

2. Every order which limits the practice of psychology or suspends or revokes a license is effective from the date the Board certifies the order until the date the order is modified or reversed by *an order of the Commission on Behavioral Health pursuant to section 6 of this act or* a final judgment of the court.

3. The district court shall give a petition for judicial review of the order priority over other civil matters which are not expressly given priority by law.

Sec. 10. Chapter 641A of NRS is hereby amended by adding thereto the provisions set forth as sections 11 to 14, inclusive, of this act.

Sec. 11. *On or before February 1 of each year, the Board shall submit to the ~~{Commission on Behavioral Health}~~ Legislative Committee on Health Care a report which must include:*

1. *The number of complaints received, investigations completed, cases dismissed, cases settled and cases for which hearings were held within the immediately preceding calendar year; and*

2. *The number of applications for the issuance or renewal of a license received by the Board during the immediately preceding calendar year and*

*the number of those applications for which the Board conducted additional review beyond the standard review regularly conducted by the Board.*

*Sec. 12. The Board shall:*

*1. Require each new member of the Board to complete orientation within 60 days after his or her appointment to the Board. The orientation must include, without limitation, instruction concerning:*

*(a) The purposes of the Board and the duties of its members;*

*(b) Applicable laws and regulations, including, without limitation, the provisions of NRS 641A.310 to 641A.400, inclusive, and section 14 of this act and the importance of complying with applicable laws and regulations in a timely manner; and*

*(c) Requirements concerning managing the finances of the Board.*

*2. Establish policies concerning compensation and reviewing the performance of the staff of the Board.*

*Sec. 13. The Board may enter into an agreement with the Department of Health and Human Services or a division thereof to provide services to carry out or improve any function of the Board. Such services may include, without limitation:*

*1. Assistance in processing applications for the issuance or renewal of licenses;*

*2. Technical assistance;*

*3. Facilitating cooperation with other boards and licensing entities in this State or any other jurisdiction;*

*4. Recommendations to improve and standardize procedures used by the Board; and*

*5. Assistance in identifying resources for improving the operations of the Board.*

*Sec. 14. 1. Not later than 30 days after the Board denies an application for the issuance or renewal of a license or issues an order imposing disciplinary action against a licensee, the applicant or licensee aggrieved by the order may submit an appeal to the Commission on Behavioral Health. The Commission shall notify the Board not later than 10 days after receiving such an appeal.*

*2. The Commission shall, upon an appeal submitted pursuant to subsection 1 or its own motion, investigate the refusal of the Board to issue or renew a license or any disciplinary action imposed by the Board. The action of the Board remains in effect until the Commission renders a decision pursuant to subsection 3.*

*3. After conducting an investigation pursuant to subsection 2, the Commission shall render a decision on the appeal. In rendering a decision, the Commission shall presume that the action of the Board was proper and shall not substitute its judgment for that of the Board concerning the weight of evidence on a question of fact. The Commission may order the Board to issue or renew the license or modify or set aside the disciplinary action, as applicable, only if the Commission finds that the action of the Board:*

- (a) *Violates constitutional or statutory provisions;*
- (b) *Exceeds the statutory authority of the agency;*
- (c) *Was made upon unlawful procedure;*
- (d) *Is affected by other error of law;*
- (e) *Is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or*
- (f) *Is arbitrary or capricious or characterized by abuse of discretion.*

4. *An investigation conducted by the Commission pursuant to the provisions of this section is limited to the application for the issuance or renewal of a license and any information submitted in conjunction with the application or the record of the disciplinary proceeding created by the Board, as applicable. The Board shall provide those records to the Commission upon request. Unless the information is deemed a public record under the provisions of NRS 641A.191 or 641A.320 or other applicable law, the Commission shall keep the information confidential.*

5. *An order of the Board suspending or revoking a license or imposing other disciplinary action against a licensee is final for purposes of judicial review upon the denial of an appeal pursuant to this section.*

Sec. 15. NRS 641A.160 is hereby amended to read as follows:

641A.160 1. The Board shall adopt regulations not inconsistent with the provisions of this chapter governing its procedure, the examination and licensing of applicants, the granting, refusal, revocation or suspension of licenses, and the practice of marriage and family therapy and the practice of clinical professional counseling as those practices apply to this chapter.

2. *The regulations adopted pursuant to subsection 1 must prescribe:*

- (a) *Uniform standards concerning the locations at which interns provide services;*
- (b) *Standards concerning the electronic supervision of interns working at remote sites; and*
- (c) *A manner by which the qualifications for the issuance or renewal of a license under the provisions of this chapter will be made available to the public such that those qualifications are clearly defined and easily understood.*

3. *On the date that the Board gives notice pursuant to NRS 233B.060 of its intent to adopt, amend or repeal a regulation, the Board shall submit the regulation to the Commission on Behavioral Health for review. The Commission shall review the regulation and make recommendations to the Board concerning the advisability of adopting, amending or repealing the regulation and any changes that the Commission deems advisable.*

Sec. 16. NRS 641A.210 is hereby amended to read as follows:

641A.210 1. Each person desiring a license must apply to the Board upon a form, and in a manner, prescribed by the Board. The application must be accompanied by the application fee prescribed by the Board and all information required to complete the application.

2. *The Board shall prescribe forms for applying for the issuance or renewal of a license. The forms must:*

(a) *Be available to be completed on the Internet website maintained by the Board;*

(b) *Provide immediate, automatic feedback to the applicant concerning whether the applicant has submitted all required information; and*

(c) *Automatically store the data submitted by the applicant upon completion of the application.*

Sec. 17. Chapter 641B of NRS is hereby amended by adding thereto the provisions set forth as sections 18 to 22, inclusive, of this act.

Sec. 18. *On or before February 1 of each year, the Board shall submit to the ~~the Commission on Behavioral Health~~ Legislative Committee on Health Care a report which must include:*

1. *The number of complaints received, investigations completed, cases dismissed, cases settled and cases for which hearings were held within the immediately preceding calendar year; and*

2. *The number of applications for the issuance or renewal of a license received by the Board during the immediately preceding calendar year and the number of those applications for which the Board conducted additional review beyond the standard review regularly conducted by the Board.*

Sec. 19. *The Board shall:*

1. *Require each new member of the Board to complete orientation within 60 days after his or her appointment to the Board. The orientation must include, without limitation, instruction concerning:*

(a) *The purposes of the Board and the duties of its members;*

(b) *Applicable laws and regulations, including, without limitation, the provisions of NRS 641B.400 to 641B.450, inclusive, and section 22 of this act and the importance of complying with applicable laws and regulations in a timely manner; and*

(c) *Requirements concerning managing the finances of the Board.*

2. *Establish policies concerning compensation and reviewing the performance of the staff of the Board.*

Sec. 20. *The Board may enter into an agreement with the Department of Health and Human Services or a division thereof to provide services to carry out or improve any function of the Board. Such services may include, without limitation:*

1. *Assistance in processing applications for the issuance or renewal of licenses;*

2. *Technical assistance;*

3. *Facilitating cooperation with other boards and licensing entities in this State or any other jurisdiction;*

4. *Recommendations to improve and standardize procedures used by the Board; and*

5. *Assistance in identifying resources for improving the operations of the Board.*

Sec. 21. *The Board shall prescribe forms for applying for the issuance or renewal of a license. The forms must:*



1. *Be available to be completed on the Internet website maintained by the Board;*

2. *Provide immediate, automatic feedback to the applicant concerning whether the applicant has submitted all required information; and*

3. *Automatically store the data submitted by the applicant upon completion of the application.*

Sec. 22. 1. *Not later than 30 days after the Board denies an application for the issuance or renewal of a license or issues an order imposing disciplinary action against a licensee, the applicant or licensee aggrieved by the order may submit an appeal to the Commission on Behavioral Health. The Commission shall notify the Board not later than 10 days after receiving such an appeal.*

2. *The Commission shall, upon an appeal submitted pursuant to subsection 1 or its own motion, investigate the refusal of the Board to issue or renew a license or any disciplinary action imposed by the Board. The action of the Board remains in effect until the Commission renders a decision pursuant to subsection 3.*

3. *After conducting an investigation pursuant to subsection 2, the Commission shall render a decision on the appeal. In rendering a decision, the Commission shall presume that the action of the Board was proper and shall not substitute its judgment for that of the Board concerning the weight of evidence on a question of fact. The Commission may order the Board to issue or renew the license or modify or set aside the disciplinary action, as applicable, only if the Commission finds that the action of the Board:*

- (a) Violates constitutional or statutory provisions;*
- (b) Exceeds the statutory authority of the agency;*
- (c) Was made upon unlawful procedure;*
- (d) Is affected by other error of law;*
- (e) Is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or*
- (f) Is arbitrary or capricious or characterized by abuse of discretion.*

4. *An investigation conducted by the Commission pursuant to the provisions of this section is limited to the application for the issuance or renewal of a license and any information submitted in conjunction with the application or the record of the disciplinary proceeding created by the Board, as applicable. The Board shall provide those records to the Commission upon request. Unless the information is deemed a public record under the provisions of NRS 641B.170 or 641B.430 or other applicable law, the Commission shall keep the information confidential.*

5. *An order of the Board suspending or revoking a license or imposing other disciplinary action against a licensee is final for purposes of judicial review upon the denial of an appeal pursuant to this section.*

Sec. 23. NRS 641B.160 is hereby amended to read as follows:

641B.160 1. The Board shall adopt:

~~1-1~~ (a) Such regulations as are necessary or desirable to enable it to carry out the provisions of this chapter; ~~and~~

~~2-1~~ (b) Regulations establishing reasonable standards for the psychiatric training and experience necessary for a clinical social worker to be authorized to make the certifications described in NRS 433A.170, 433A.195 and 433A.200 ~~1-1~~;

(c) Regulations prescribing uniform standards concerning the locations at which interns provide services;

(d) Regulations prescribing standards concerning the electronic supervision of interns working at remote sites; and

(e) Regulations prescribing the manner by which the qualifications for the issuance or renewal of a license under the provisions of this chapter will be made available to the public such that those qualifications are clearly defined and easily understood.

2. On the date that the Board gives notice pursuant to NRS 233B.060 of its intent to adopt, amend or repeal a regulation, the Board shall submit the regulation to the Commission on Behavioral Health for review. The Commission shall review the regulation and make recommendations to the Board concerning the advisability of adopting, amending or repealing the regulation and any changes that the Commission deems advisable.

Sec. 24. Chapter 641C of NRS is hereby amended by adding thereto the provisions set forth as sections 25 to 29, inclusive, of this act.

Sec. 25. On or before February 1 of each year, the Board shall submit to the ~~Commission on Behavioral Health~~ Legislative Committee on Health Care a report which must include:

1. The number of complaints received, investigations completed, cases dismissed, cases settled and cases for which hearings were held within the immediately preceding calendar year; and

2. The number of applications for the issuance or renewal of a license or certificate received by the Board during the immediately preceding calendar year and the number of those applications for which the Board conducted additional review beyond the standard review regularly conducted by the Board.

Sec. 26. The Board shall:

1. Require each new member of the Board to complete orientation within 60 days after his or her appointment to the Board. The orientation must include, without limitation, instruction concerning:

(a) The purposes of the Board and the duties of its members;

(b) Applicable laws and regulations, including, without limitation, the provisions of NRS 641C.700 to 641C.760, inclusive, and section 29 of this act and the importance of complying with applicable laws and regulations in a timely manner; and

(c) Requirements concerning managing the finances of the Board.

2. Establish policies concerning compensation and reviewing the performance of the staff of the Board.

Sec. 27. *The Board may enter into an agreement with the Department of Health and Human Service or a division thereof to provide services to carry out or improve any function of the Board. Such services may include, without limitation:*

- 1. Assistance in processing applications for the issuance or renewal of licenses and certificates;*
- 2. Technical assistance;*
- 3. Facilitating cooperation with other boards and licensing entities in this State or any other jurisdiction;*
- 4. Recommendations to improve and standardize procedures used by the Board; and*
- 5. Assistance in identifying resources for improving the operations of the Board.*

Sec. 28. *The Board shall prescribe forms for applying for the issuance or renewal of a license or certificate. The forms must:*

- 1. Be available to be completed on the Internet website maintained by the Board;*
- 2. Provide immediate, automatic feedback to the applicant concerning whether the applicant has submitted all required information; and*
- 3. Automatically store the data submitted by the applicant upon completion of the application.*

Sec. 29. *1. Not later than 30 days after the Board denies an application for the issuance or renewal of a license or certificate or issues an order imposing disciplinary action against a licensee or the holder of a certificate, the applicant, licensee or holder of a certificate aggrieved by the order may submit an appeal to the Commission on Behavioral Health. The Commission shall notify the Board not later than 10 days after receiving such an appeal.*

*2. The Commission shall, upon an appeal submitted pursuant to subsection 1 or its own motion, investigate the refusal of the Board to issue or renew a license or certificate or any disciplinary action imposed by the Board. The action of the Board remains in effect until the Commission renders a decision pursuant to subsection 3.*

*3. After conducting an investigation pursuant to subsection 2, the Commission shall render a decision on the appeal. In rendering a decision, the Commission shall presume that the action of the Board was proper and shall not substitute its judgment for that of the Board concerning the weight of evidence on a question of fact. The Commission may order the Board to issue or renew the license or certificate or modify or set aside the disciplinary action, as applicable, only if the Commission finds that the action of the Board:*

- (a) Violates constitutional or statutory provisions;*
- (b) Exceeds the statutory authority of the agency;*
- (c) Was made upon unlawful procedure;*
- (d) Is affected by other error of law;*
- (e) Is clearly erroneous in view of the reliable, probative and substantial evidence on the whole record; or*

*(f) Is arbitrary or capricious or characterized by abuse of discretion.*

*4. An investigation conducted by the Commission pursuant to the provisions of this section is limited to the application for the issuance or renewal of a license or certificate and any information submitted in conjunction with the application or the record of the disciplinary proceeding created by the Board, as applicable. The Board shall provide those records to the Commission upon request. Unless the information is deemed a public record under the provisions of NRS 641C.720 or 641C.760 or other applicable law, the Commission shall keep the information confidential.*

*5. An order of the Board suspending or revoking a license or certificate or imposing other disciplinary action against a licensee or the holder of a certificate is final for purposes of judicial review upon the denial of an appeal pursuant to this section.*

Sec. 30. NRS 641C.200 is hereby amended to read as follows:

641C.200 1. The Board shall adopt such regulations as are necessary to carry out the provisions of this chapter, including, without limitation, regulations that prescribe:

(a) The ethical standards for licensed and certified counselors and certified interns; ~~and~~

(b) The requirements for continuing education for the renewal, restoration or reinstatement of a license or certificate ~~[-]~~ ;

(c) Uniform standards concerning the locations at which interns provide services;

(d) Standards concerning the electronic supervision of interns working at remote sites; and

(e) The manner by which the qualifications for the issuance or renewal of a license or certificate under the provisions of this chapter will be made available to the public such that those qualifications are clearly defined and easily understood.

2. The Board may adopt regulations that prescribe:

(a) The contents of a written and oral examination concerning the practice of counseling problem gamblers;

(b) The grounds for initiating disciplinary action against a certified problem gambling counselor or certified problem gambling counselor intern; and

(c) Disciplinary procedures for certified problem gambling counselors and certified problem gambling counselor interns, including the suspension, revocation and reinstatement of a certificate as a problem gambling counselor or problem gambling counselor intern.

3. Any regulations adopted by the Board pursuant to this section must be consistent with the provisions of chapter 622A of NRS.

*4. On the date that the Board gives notice pursuant to NRS 233B.060 of its intent to adopt, amend or repeal a regulation, the Board shall submit the regulation to the Commission on Behavioral Health for review. The Commission shall review the regulation and make recommendations to the*

*Board concerning the advisability of adopting, amending or repealing the regulation and any changes that the Commission deems advisable.*

Sec. 31. NRS 641C.260 is hereby amended to read as follows:

641C.260 Each applicant for a license or certificate must submit to the Board:

1. An application on a form ~~[provided]~~ *prescribed* by the Board ~~[;]~~ *pursuant to section 28 of this act;*

2. 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; and

3. The application fee prescribed in NRS 641C.470.

Sec. 32. NRS 232.361 is hereby amended to read as follows:

232.361 1. There is hereby created in the Department a Commission on Behavioral Health consisting of 10 members appointed by the Governor, at least 3 of whom have training or experience in dealing with intellectual disabilities.

2. The Governor shall appoint:

(a) A psychiatrist licensed to practice medicine in this State, from a list of three candidates submitted by the Nevada Psychiatric Association;

(b) A psychologist licensed to practice in this State and experienced in clinical practice, from a list of four candidates submitted by the Nevada Psychological Association, two of whom must be from northern Nevada and two of whom must be from southern Nevada;

(c) A physician, other than a psychiatrist, licensed to practice medicine in this State and who has experience in dealing with intellectual disabilities, from a list of three candidates submitted by the Nevada State Medical Association;

(d) A *clinical social worker licensed to practice in this State* who ~~[has a master's degree and]~~ has experience in dealing with mental illness or intellectual disabilities, or both;

(e) A registered nurse licensed to practice in this State who has experience in dealing with mental illness or intellectual disabilities, or both, from a list of three candidates submitted by the Nevada Nurses Association;

(f) A marriage and family therapist *or clinical professional counselor* licensed ~~[to practice in this State, from a list of three candidates submitted by the Nevada Association for Marriage and Family Therapy;]~~ *pursuant to chapter 641A of NRS;*

(g) A person who ~~[has knowledge and experience in the prevention of alcohol and drug abuse and the treatment and recovery of alcohol and drug abusers through a program or service provided]~~ *is licensed or certified pursuant to chapter [458] 641C of NRS [; from a list of three candidates submitted by the Division of Public and Behavioral Health of the Department;]* *who is not an intern;*

(h) A current or former recipient of mental health services provided by the State or any agency thereof;

(i) A representative of the general public who has a special interest in the field of mental health; and

(j) A representative of the general public who has a special interest in the field of intellectual disabilities.

3. The Governor shall appoint the Chair of the Commission from among its members.

4. After the initial terms, each member shall serve a term of 4 years. If a vacancy occurs during a member's term, the Governor shall appoint a person qualified under this section to replace that member for the remainder of the unexpired term.

5. *A person may not serve concurrently as a member of the Commission and a member of 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 or the Board of Examiners for Alcohol, Drug and Gambling Counselors.*

Sec. 33. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 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, 130.712, 136.050, 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, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 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, 241.039, 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, 289.830, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 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, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 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,

408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 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, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 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, 480.365, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 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.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 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.410, 681B.540, 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.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and sections 6, 14, 22 and 29 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. 34. NRS 433.314 is hereby amended to read as follows:

433.314 The Commission shall:

1. Establish policies to ensure adequate development and administration of services for persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders, including services to prevent mental illness, intellectual disabilities and related conditions, substance use disorders and co-occurring disorders, and services provided without admission to a facility or institution;

2. Set policies for the care and treatment of persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders provided by all state agencies;

3. Review the programs and finances of the Division; ~~and~~

4. Report at the beginning of each year to the Governor and at the beginning of each odd-numbered year to the Legislature on the quality of the care and treatment provided for persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders in this State and on any progress made toward improving the quality of that care and treatment ~~[-]~~;

5. *Hear appeals, conduct investigations and issue orders pursuant to sections 6, 14, 22 and 29 of this act; and*

6. *Review and make recommendations concerning regulations submitted to the Commission for review pursuant to NRS 641.100, 641A.160, 641B.160 and 641C.200.*

Sec. 34.5. NRS 433.314 is hereby amended to read as follows:

433.314 The Commission shall:



1. Establish policies to ensure adequate development and administration of services for persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders, including services to prevent mental illness, intellectual disabilities and related conditions, substance use disorders and co-occurring disorders, and services provided without admission to a facility or institution;

2. Set policies for the care and treatment of persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders provided by all state agencies;

3. Review the programs and finances of the Division;

4. Report at the beginning of each year to the Governor and at the beginning of each odd-numbered year to the Legislature on the quality of the care and treatment provided for persons with mental illness, persons with intellectual disabilities and persons with related conditions, persons with substance use disorders or persons with co-occurring disorders in this State and on any progress made toward improving the quality of that care and treatment; *and*

5. ~~Hear appeals, conduct investigations and issue orders pursuant to sections 6, 14, 22 and 29 of this act; and~~

~~6.]~~ Review and make recommendations concerning regulations submitted to the Commission for review pursuant to NRS 641.100, 641A.160, 641B.160 and 641C.200.

Sec. 35. 1. On or before January 1, 2018, 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, respectively, shall each:

(a) Conduct an analysis of the necessity of the costs of the Board, whether the fees charged by the Board are necessary and sufficient to pay those costs, the Board's compliance with applicable law and the need for revision of the regulations of the Board. The analysis must include, without limitation, an analysis of the Board's:

(1) Recognition of licenses, certificates and other credentials from jurisdictions outside this State, including, without limitation, the number of licenses by endorsement it has issued during the 3-year period ending on December 1, 2017; and

(2) Efforts to comply with the amendatory provisions of this act.

(b) Submit to the ~~[Commission on Behavioral Health]~~ Legislative Committee on Health Care a report containing the results of the analysis conducted pursuant to paragraph (a).

2. ~~[On or before June 30, 2018, the Commission]~~ The Legislative Committee on Health Care shall review the reports submitted to subsection 1 and ~~[require the]~~ may make recommendations to:

(a) 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 or the Board of Examiners for Alcohol, Drug and Gambling Counselors, as applicable, ~~to take~~ concerning any action necessary to comply with existing law or improve the processes used by the board.

(b) The 80th Session of the Nevada Legislature concerning any appropriate legislation necessary to improve the processes used by 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 or the Board of Examiners for Alcohol, Drug and Gambling Counselors.

Sec. 35.5. Not later than March 1, 2018, each person who is serving on January 1, 2018, as a member of 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 or the Board of Examiners for Alcohol, Drug and Gambling Counselors, shall complete the orientation required for a new member of the Board of which he or she is a member pursuant to section 3, 12, 19 or 26 of this act, respectively.

Sec. 36. 1. The term of any member of the Commission on Behavioral Health who is serving on the Commission pursuant to paragraph (d) or (g) of subsection 2 of NRS 232.361 on October 1, 2017, who does not meet the qualifications prescribed by paragraph (d) or (g) of subsection 2, as applicable, of NRS 232.361, as amended by section 32 of this act, expires on that date. The Governor shall appoint a person who meets the qualifications prescribed by paragraph (d) or (g) of subsection 2, as applicable, of NRS 232.361, as amended by section 32 of this act, to serve the remainder of that term.

2. The term of any member of the Commission on Behavioral Health who is serving on the Commission in violation of subsection 5 of NRS 232.361, as amended by section 32 of this act, on October 1, 2017, expires on that date. The Governor shall appoint a person similarly qualified to serve the remainder of that term.

Sec. 36.5. 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. 37. 1. This section and sections 1 to 31, inclusive, 33, 34, 35, ~~and~~ 35.5 and 36.5 of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other administrative tasks that are necessary to carry out the provisions of this act and on January 1, 2018, for all other purposes.

2. Sections 32 and 36 of this act become effective on October 1, 2017.

3. Sections 6, 14, 22 and 29 of this act and the amendatory provisions of section 9 of this act expire by limitation on December 31, 2019.

4. Section 34.5 of this act becomes effective on January 1, 2020.

Senator Atkinson moved the adoption of the amendment.

Remarks by Senator Atkinson.

Amendment No. 860 makes four changes to Assembly Bill No. 457. The amendment requires the Boards referenced in the bill to submit an annual report with certain information to the Legislative Committee on Health Care; requires the Boards referenced in the bill to submit a report, on or before January 1, 2018, concerning the costs of the Board, the fees imposed by the Board and effort of the Board to recognize licenses and certificates from other jurisdictions to the Legislative Committee on Health Care; sunsets the provisions of the bill that relate authorizing a person aggrieved by an order of any of the Boards to appeal that order to the Commission on Behavioral Health on January 1, 2020; and clarifies language to align with the Boards specific nomenclature for pre- and full-license registrants, who include psychological interns, psychological assistants and psychological trainees.

Amendment adopted.

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

GENERAL FILE AND THIRD READING

Senate Bill No. 221.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 708.

SUMMARY—Revises provisions governing wildlife. (BDR 45-814)

AN ACT relating to wildlife; creating the Nevada Wildlife Public Education Committee within the Board of Wildlife Commissioners; prescribing the membership and duties of the Committee; authorizing the Department of Wildlife to fund the activities of the Committee from the Wildlife Heritage Account; requiring the Board of Wildlife Commissioners to maintain a list of qualified candidates for appointment to the Committee; increasing the amount of money the Department may annually expend from the Account ~~for~~ in certain circumstances; authorizing the Department to request emergency funding from the Account if a catastrophic threat to wildlife or wildlife habitat occurs in this State; requiring the Commission to ensure that a certain minimum balance is maintained in the Account; 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 Nevada Wildlife Public Education Committee within the Board of Wildlife Commissioners and prescribes the composition of the members of the Committee. Section 5 of this bill requires the Committee, in cooperation with the Department of Wildlife, to develop and carry out a public information program to educate, promote and engage the residents of this State concerning the responsible stewardship of wildlife in this State. Section 5 further requires the Committee to prepare an operational plan to meet the future goals of the Committee and to report certain information to the Director of the Department and the Board of Wildlife Commissioners. Sections 6, 9 and 10 of this bill authorize the Department to fund the activities of the Committee from the Wildlife Heritage Account. Section 9 also: (1) increases the amount of money that the Department may

annually expend from the Wildlife Heritage Account ~~for~~ in certain circumstances; (2) authorizes the Department to request emergency funding from the Account if a catastrophic threat to wildlife or wildlife habitat occurs in this State; and (3) requires the Board of Wildlife Commissioners to ensure that a certain minimum balance is maintained in the Account. Section 8 of this bill requires the Commission to maintain a list of qualified candidates for appointment to the Committee.

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. *"Committee" means the Nevada Wildlife Public Education Committee created by section 3 of this act.*

Sec. 3. 1. *There is hereby created within the Commission the Nevada Wildlife Public Education Committee. The Committee consists of the following seven members appointed by the Chair of the Commission with the advice of the Director:*

- (a) One member of the Commission or his or her designee;*
- (b) Three residents of this State who are selected from the list of candidates compiled pursuant to subsection 10 of NRS 501.181;*
- (c) One resident of this State who represents small businesses that are substantially affected by recreational activities relating to wildlife in this State;*
- (d) 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 Committee in carrying out its duties pursuant to section 5 of this act; and*
- (e) One resident of this State who actively engages in watching or observing wildlife in this State.*

2. *The Chair of the Commission shall, to the extent practicable, ensure that the membership of the Committee represents all geographic areas of this State.*

3. *After the initial terms, each member of the Committee serves a term of 4 years.*

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

5. *A member of the Committee may be reappointed, but must not serve more than two full terms.*

6. *Each member of the Committee:*

- (a) Serves without compensation; and*
- (b) While engaged in the business of the Committee, is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.*

7. *The Chair of the Commission may remove any member of the Committee for just cause or any ground for removal of a member of the Commission set forth in NRS 501.172.*

Sec. 4. 1. *At the first meeting of the Committee, the Committee shall adopt any rules and policies that are necessary to assist the Committee in carrying out its duties. The Chair of the Commission shall select from among the members of the Commission a Chair of the Committee. The Committee shall elect from among its members any other officers considered necessary or appropriate by the Committee. Upon the expiration of the term of an officer elected pursuant to this subsection, the Committee shall, at the next subsequent meeting of the Committee, elect an officer to fill the vacated position.*

2. *The Committee 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 Committee constitutes a quorum for the transaction of business, and a quorum may exercise any power or authority conferred on the Committee.*

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

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

6. *The Department shall provide the Committee with administrative support to comply with the provisions of chapter 241 of NRS.*

Sec. 5. 1. *The Committee shall, in cooperation with the Department:*

(a) *Develop and carry out, in collaboration with a marketing or advertising agency, an effective and comprehensive media-based public information program to educate, promote and engage the residents of this State concerning the responsible stewardship of wildlife in this State, including, without limitation, identifying:*

(1) *The essential role and contribution of the North American Model of Wildlife Conservation in restoring, protecting and enhancing all wildlife resources in this State;*

(2) *The history of wildlife in this State;*

(3) *The benefits of wildlife to the residents of this State;*

(4) *The benefits of managing wildlife in this State;*

(5) *The recreational opportunities provided by wildlife in this State;*

(6) *The significant value of fish and game as a source of food; and*

(7) *The economic benefit of wildlife to communities and tourism in this State.*

(b) *Not later than 120 days after the Committee's first meeting of each year, and subject to the approval of the ~~(Director,~~ Commission, prepare an operational plan with strategic goals and milestones in furtherance of the duties of the Committee.*

(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 Committee shall prepare, review and approve each annual budget for the Committee and review any periodic financial reports provided by the Department that are related to the activities of the Committee.

3. The Committee shall, on or before January 31 of each even-numbered year, prepare and submit a report to the Director and the Commission setting forth:

(a) The operational plan prepared pursuant to paragraph (b) of subsection 1 and each public information program developed and carried out pursuant to that subsection;

(b) A financial accounting of the ~~the subaccount created~~ money provided to fund the activities of the Committee pursuant to section 6 of this act; and

(c) Any recommendations concerning the Committee.

4. As used in this section, "North American Model of Wildlife Conservation" means a common set of principles used as a model to guide decisions relating to the conservation and management of wildlife in the United States, including, without limitation:

(a) The conservation and management of wildlife as a resource held in public trust; ~~and as an international resource;~~

(b) The elimination of markets for game mammals;

(c) The allocation of wildlife based upon laws and regulations;

(d) The killing of wildlife only for a legitimate purpose;

(e) The consideration of wildlife as an international resource;

(f) The use of scientific methods in the conservation and management of wildlife; and

~~(f)~~ (g) The conservation and management of wildlife based upon democratic principles.

Sec. 6. 1. Any money transferred from the Wildlife Heritage Account pursuant to NRS 501.3575 or received pursuant to subsection 2 must be accounted for separately in ~~in a separate subaccount of the Account~~ the State General Fund and used to fund the activities of the Committee pursuant to this section. The ~~Commission~~ Department shall administer ~~the subaccount created pursuant to this section. Any interest and income earned on the money in the subaccount must be credited to the subaccount.~~ that money.

2. The ~~Commission~~ Department or the Committee 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 Committee.

3. Any money ~~specified in subsections 1 and 2 must be used for the activities of the Committee.~~ that is accounted for separately pursuant to subsection 1 is hereby authorized for expenditure as a continuing appropriation for the purpose of funding the activities of the Committee.

*Except as otherwise provided by law or by the terms of any grant, bequest, devise, donation or gift, any money that is accounted for separately pursuant to subsection 1 and is remaining ~~in the subaccount~~ at the end of a fiscal year does not revert ~~to the Wildlife Heritage Account or the State General Fund~~ and must be carried over to the next fiscal year.*

*4. The Committee shall approve expenditures ~~from the subaccount by appropriation~~ of the money that is accounted for separately pursuant to subsection 1:*

*(a) To support the public information program developed pursuant to section 5 of this act and to pay any costs incurred by the ~~Commission~~ Department in administering the provisions of sections 2 to 6, inclusive, of this act, but such costs must not exceed 20 percent of the annual ~~appropriations from the subaccount~~ expenditures of the money that is accounted for separately pursuant to subsection 1:*

*(b) In accordance with the operational plan prepared pursuant to section 5 of this act and within the scope of any activities and amounts of funding authorized pursuant to the operational plan; and*

*(c) To comply with any requirements to obtain any aid or benefits pursuant to NRS 501.115 and 501.117.*

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 management and control of predatory wildlife.

(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. If, in establishing any regulations pursuant to this subsection, the Commission rejects the recommendations of a county advisory board to manage wildlife with regard to the length of seasons for fishing, hunting and trapping or the bag or possession limits applicable within the respective county, the Commission shall provide to the county advisory board to manage wildlife at the meeting an explanation of the Commission's decision to reject the recommendations and, as soon as practicable after the meeting, a written explanation of the Commission's decision to reject the recommendations. 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. Adopt regulations prescribing the circumstances under which a person, regardless of whether the person has obtained a valid tag issued by the Department, may assist in the killing and retrieval of a wounded big game mammal by another person who:

(a) Is a paraplegic, has had one or both legs amputated or has suffered a paralysis of one or both legs which severely impedes the person's walking; and

(b) Has obtained a valid tag issued by the Department for hunting that animal.

10. *Maintain a list of candidates qualified for appointment to the Committee pursuant to paragraph (b) of subsection 1 of section 3 of this act that is compiled from recommendations made by any established Nevada organization for sportsmen and sportswomen and the county advisory boards to manage wildlife. Except as otherwise provided in this subsection, the Commission shall not ~~include~~ appoint a person ~~on~~ from 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 those licenses, in this State for at least 3 of the immediately preceding 5 years. The ~~Committee~~ Commission may waive the required period of residency and the period for holding any of those licenses ~~for a member of the Committee appointed pursuant to paragraph (b) of subsection 1 of section 3 of this act.~~ for appointment if the Commission determines it is in the best interest of the State.*

11. In establishing any policy or adopting any regulations pursuant to this section, first consider the recommendations of the Department, the county advisory boards to manage wildlife and other persons who present their views at an open meeting of the Commission.

Sec. 9. NRS 501.3575 is hereby amended to read as follows:

501.3575 1. The Wildlife Heritage 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 Committee.*

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 Account, must be deposited with the State Treasurer for credit to the Account.

3. ~~The~~ ~~Except as otherwise provided in section 6 of this act, the~~ interest and income earned on the money in the Wildlife Heritage Account, after deducting any applicable charges, must be credited to the Account.

4. *For the period beginning on July 1, 2017, and ending on June 30, 2021, and except as otherwise provided in this subsection, ~~to fund the activities of the Committee,~~ the ~~Commission~~ Department may periodically transfer money from the principal in the Wildlife Heritage Account to ~~the subaccount specified in~~ be used to fund the activities of the Committee pursuant to section 6 of this act. The amount of money transferred during that period pursuant to this subsection must not exceed \$2,000,000.*

5. ~~The~~ Except as otherwise provided in subsection 7:

(a) Except as otherwise provided in paragraph (b), the Department may annually expend from the Wildlife Heritage Account an amount of money not greater than ~~75~~ 80 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~~

(b) If the adjusted principal balance in the Account falls below \$5,000,000, any annual expenditures pursuant to this subsection must be reduced to 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 until an adjusted principal balance of at least \$5,000,000 is achieved for the Account.

6. ~~If,~~ Except as otherwise provided in subsection 7, if, as determined by the Department, a catastrophic threat to wildlife or wildlife habitat occurs in this State, the Department may request emergency funding in an amount of money not more than 50 percent of the amount of principal in the Wildlife Heritage Account, adjusted for any outstanding commitments previously made but not paid at the time of the request.

7. The Commission shall ensure that a minimum adjusted principal balance of at least \$3,000,000 is maintained at all times in the Wildlife Heritage Account.

8. ~~If, for any reason, the adjusted principal balance in the Wildlife Heritage Account falls below \$5,000,000, any funding pursuant to paragraph (b) of subsection 4 must be reduced to not greater than 15 percent and any expenditures pursuant to subsection 5 must be reduced to not greater than 75 percent until an adjusted principal balance of at least \$5,000,000 is achieved for the Account.~~

~~9.~~ Except for expenditures made pursuant to subsection ~~4~~ and subsection 4 of section 6 of this act, 5. 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.

~~{5-10-1~~ 9. The Commission shall administer the provisions of this section and may adopt any regulations necessary for that purpose.

Sec. 10. NRS 501.3575 is hereby amended to read as follows:

501.3575 1. The Wildlife Heritage 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 Committee.

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 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 Account, after deducting any applicable charges, must be credited to the Account.

4. ~~{For the period beginning on July 1, 2017, and ending on June 30, 2021, and except as otherwise provided in this subsection, the}~~ The Department may periodically transfer money from the principal in the Wildlife Heritage Account to be used to fund the activities of the Committee pursuant to section 6 of this act. ~~{The amount of money transferred during that period pursuant to this subsection must not exceed \$2,000,000}~~

5. Except as otherwise provided in subsection 7:

(a) Except as otherwise provided in paragraph (b), the Department may annually expend from the Wildlife Heritage Account an amount of money not greater than 80 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.

(b) If the adjusted principal balance in the Account falls below \$5,000,000, any annual expenditures pursuant to this subsection must be reduced to 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 until an adjusted principal balance of at least \$5,000,000 is achieved for the Account.

6. Except as otherwise provided in subsection 7, if, as determined by the Department, a catastrophic threat to wildlife or wildlife habitat occurs in this State, the Department may request emergency funding in an amount of money not more than 50 percent of the amount of principal in the Wildlife Heritage Account, adjusted for any outstanding commitments previously made but not paid at the time of the request.

7. The Commission shall ensure that a minimum adjusted principal balance of at least \$3,000,000 is maintained at all times in the Wildlife Heritage Account.

8. Except for expenditures made pursuant to subsection 5, 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.

9. The Commission shall administer the provisions of this section and may adopt any regulations necessary for that purpose.

Sec. 11. 1. The Chair of the Board of Wildlife Commissioners shall:

(a) Appoint the initial members of the Nevada Wildlife Public Education Committee created by section 3 of this act in accordance with subsection 1 of section 3 of this act not later than October 1, 2017.

(b) Call the first meeting of the Committee, which must take place on or before December 31, 2017.

2. At the first meeting of the Committee, the members initially appointed by the Chair of the Board of Wildlife Commissioners pursuant to subsection 1 shall choose their initial terms by lot, in the following manner:

(a) Two members to serve for terms of 2 years;

(b) Two members to serve for terms of 3 years; and

(c) Two members to serve for terms of 4 years.

Sec. 12. 1. This section and sections 1 to 9, inclusive, and 11 of this act become effective on July 1, 2017.

2. Section 10 of this act becomes effective on July 1, 2021.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

Amendment No. 708 to Senate Bill No. 221 does the following: clarifies that the Wildlife Commission is required to approve the annual operational plan with strategic goals and milestones in furtherance of the duties of the Nevada Wildlife Public Education Committee; adds that "The consideration of wildlife as an international resource" to the common set of principles associated with the North American Model of Wildlife Conservation; clarifies that the money transferred from the Wildlife Heritage Account must be accounted for separately in the State General Fund and is authorized as a continuing appropriation in the purpose of funding the Committee; and clarifies that the Department of Wildlife will administer the account in the General Fund, as well as the circumstances in which money from the Wildlife Heritage Account can be expended.

Amendment adopted.

Read third time.

Remarks by Senator Denis.

Senate Bill No. 221 creates the Nevada Wildlife Public Education Committee within the Board of Wildlife Commissioners and requires the Committee, in cooperation with the Department of Wildlife, to develop and implement a public information program to educate, promote and engage the residents of this State concerning the responsible stewardship of wildlife.

Senate Bill No. 221 also authorizes the Department to fund the activities of the Committee with transfers not to exceed \$2 million from the Wildlife Heritage Account for the period of July 1, 2017, through June 30, 2021, and sets forth certain reporting requirements of the Committee.

Roll call on Senate Bill No. 221:

YEAS—21.

NAYS—None.

Senate Bill No. 221 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 427.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 427, adds a new section to NRS chapter 705 to require specific classes of railroads for transporting freight that operate a train or locomotive in this State contain a crew of not less than two persons. The bill also provides that any railroad or officer of a railroad who violates these provisions is liable to the Public Utilities Commission of Nevada for a civil penalty of not less than \$1,000 for the first violation and not more than \$5,000 for a second and any subsequent violation within three years of the first violation. Senate Bill No. 427, repeals outdated provisions regarding employment protections for certain railroad employees set forth in NRS 705.390.

Roll call on Senate Bill No. 427:

YEAS—12.

NAYS—Gansert, Goicoechea, Gustavson, Hammond, Hardy, Harris, Kieckhefer, Roberson, Settelmeyer—9.

Senate Bill No. 427 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

#### REPORTS OF COMMITTEES

*Mr. President:*

Your Committee on Finance, to which was re-referred Senate Bill No. 496, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

Also, your Committee on Finance, to which were re-referred Senate Bills Nos. 69, 124, 189, 518, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

JOYCE WOODHOUSE, *Chair*

#### SECOND READING AND AMENDMENT

Senate Bill No. 496.

Bill read second time and ordered to third reading.

#### GENERAL FILE AND THIRD READING

Senate Bill No. 69.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 69 provides that if the Governor determines that there are critical unmet needs with regard to the number of persons within this State who are engaged in an occupation or profession that is regulated by a regulatory body that adversely affect public health or safety, the Governor may, by executive order, direct the regulatory body to take final action on all completed applications for licensure in its possession within the time specified by the executive order.

Additionally, Senate Bill No. 69 requires a regulatory body that is not otherwise authorized or required by specific statute to issue a license to engage in an occupation or profession in this State to a person who has been issued a comparable license by another jurisdiction to adopt regulations providing for the issuance of a license by endorsement to engage in an occupation or profession in this State to a person who holds a corresponding valid and unrestricted license to engage in that occupation or profession in the District of Columbia or any state or territory of the United States; possesses qualifications that are substantially similar to the qualifications required for issuance of

a license to engage in that occupation or profession in this State, and satisfies certain other requirements.

Roll call on Senate Bill No. 69:

YEAS—21.

NAYS—None.

Senate Bill No. 69 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 124.

Bill read third time.

Remarks by Senators Spearman, Goicoechea, Roberson and Cannizzaro.

SENATOR SPEARMAN:

Senate Bill No. 124 provides that a court may order a person who is subject to an extended order for protection related to domestic violence to surrender, sell or transfer any firearms in that person's possession while the order is in place except in certain circumstances where a firearm is necessary for employment. Procedures relating to the surrender, sale or transfer of firearms are provided in the bill. The court must inform a person who is convicted of battery constituting domestic violence that he or she is prohibited from owning, possessing or having a firearm under his or her control and order the person to permanently surrender, sell or transfer any firearm under his or her control. The provision also applies to a person convicted of stalking if the court indicates such a finding on its judgment of conviction. The penalty for violating these provisions is a category B felony.

Senate Bill No. 124 provides that if an offender does not own a firearm, the offender must acknowledge understanding of these provisions via affidavit to the court. In instances where a firearm is sold or transferred to a licensed dealer, the dealer must provide a receipt detailing the transfer of the firearm and whether the transfer is temporary or permanent, and the offender must provide the receipt to the court and to law enforcement.

The bill also adds any person who has been convicted in Nevada or any other state of a crime constituting domestic violence and a person convicted of stalking, who is subject to an extended order for protection against domestic violence on or after October 1, 2017, to the list of persons prohibited from possessing a firearm in Nevada.

SENATOR GOICOECHEA:

I rise in opposition to Senate Bill No. 124. Although I appreciate all the work that was done on the bill, I am concerned that if you are convicted of a felony, you cannot have a firearm. This expands it way out there and exposes not only gun dealers but also, maybe, even family members so I will be opposed.

SENATOR ROBERSON:

I rise in support of Senate Bill No. 124. The description that was read earlier is not entirely accurate with the latest amendments that were approved. When it comes to domestic violence, it is the federal definition that applies. What this bill says is if a person is convicted of stalking of a family member and the judge makes a separate finding that he or she continues to represent a physical harm or danger to the family member, the person becomes a prohibited purchaser. I would like to thank the Senator from District No. 6 for working with me and others on this bill. The bill has changed a lot from its original iteration, and I support this bill.

SENATOR CANNIZZARO:

I also rise in support of Senate Bill No. 124 and thank my colleague from District No. 20 for working through some of these amendments on this bill to make it a piece of legislation that will provide protections for individuals who face an ongoing fear from domestic abusers or stalkers.

Yesterday, I made lengthy comments regarding domestic violence and why it is something we should take seriously. Senate Bill No. 124 requires that a court make a specific finding that there

is an ongoing, reasonable threat of physical harm and a relationship between the individual who is convicted of stalking and the victim before that person who is convicted will be subject to removal of their firearms.

Additionally, this leaves in place the restrictions on ownership of firearms for individuals who are under an extended order of protection against domestic violence, and leaves it up to the court to make the decision as to whether or not the individual should or should not possess firearms. This is an important step in the right direction to providing protections for individuals who are victims of stalking or domestic violence in what can be very dangerous situations. This bill is narrowly tailored to get at those situations specifically and not to exceed those bounds. I encourage my colleagues to vote in favor of Senate Bill No. 124.

Roll call on Senate Bill No. 124:

YEAS—19.

NAYS—Goicoechea, Gustavson—2.

Senate Bill No. 124 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 189.

Bill read third time.

Remarks by Senators Woodhouse, Kieckhefer, Hardy and Harris.

SENATOR WOODHOUSE:

Senate Bill No. 189 revises provisions related to child-care facilities, including the following: revises training requirements for persons employed in a child-care facility; expands background check requirements for certain employees, residents and participants of such facilities; requires an employee of or applicant for a license to operate a child-care facility or a licensee, resident or participant to notify the applicant or licensee within 24 hours of being charged with or convicted of certain crimes, and the applicant or licensee to notify the Division of Public and Behavioral Health, Department of Health and Human Services; requires the Division to establish by regulation a rating system that assigns a letter grade to each child-care facility based on certain inspections, including compliance with laws and regulations concerning the health, safety and welfare of children in the care of the facility; authorizes the Division to impose certain administrative sanctions for violations of law or regulation related to the licensure of a child-care facility, and requires the Legislative Auditor to provide certain information to the entity responsible for licensing such a facility following an inspection, review or survey that finds deficiencies in policies and procedures that may be detrimental to the health, safety or welfare of children in its care.

I would like to thank my colleague in Senate District No. 1 for assisting in adding provisions to this legislation that made it even better.

SENATOR KIECKHEFER:

I rise in opposition to Senate Bill No. 189. This bill poses a significant overreach by requiring those who provide child-care to less than five children to go through 24 hours of training on an annual basis. That is inappropriate and an overstep on our part. This also creates a duplicative rating system for child-care facilities. Most child-care facilities in Nevada are rated through the Quality Rating Information System which is already in place and operated by the Department of Education. This bill will create a second rating system for the same child-care facilities done by the Department of Public and Behavioral Health. If these two ratings are in conflict with each other based on different criteria, this will create more confusion over child-care facilities rather than clarity in terms of what a consumer is purchasing. For those reasons, I oppose this bill and encourage my colleagues to do the same.

SENATOR HARDY:

I have been swayed by the careful observations, and I have issues with the fewer than five children that is included in this bill, so I will be changing my vote on this bill to a "no".

SENATOR WOODHOUSE:

This bill only addresses the employers and employees of facilities with less than five children. It is important that those who care for our children in child-care facilities should be trained on what is necessary for those children to be safe. This bill does not do anything requiring licensure of those facilities with children under the age of five. I ask you support of this bill for the safety of our children.

SENATOR HARRIS:

If you are not an employer, and you have children stopping in, does this bill apply to you because there is not an employer/employee relationship?

SENATOR WOODHOUSE:

That is my understanding.

Roll call on Senate Bill No. 189:

YEAS—13.

NAYS—Gansert, Goicoechea, Gustavson, Hammond, Hardy, Kieckhefer, Roberson, Settelmeyer—8.

Senate Bill No. 189 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 518.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 518 removes the provision authorizing interest and income on money earned in the Contingency Account for Special Education Services to be credited to the Account.

Roll call on Senate Bill No. 518:

YEAS—21.

NAYS—None.

Senate Bill No. 518 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

#### UNFINISHED BUSINESS

##### CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 46.

The following Assembly amendment was read:

Amendment No. 718.

SUMMARY—Revises provisions governing background checks of operators, employees and certain adult residents of a child care facility. (BDR 38-131)

AN ACT relating to public welfare; revising provisions governing background checks of operators, employees and certain adult residents of a child care facility; and providing other matters properly relating thereto.



## Legislative Counsel's Digest:

Existing law requires the Division of Public and Behavioral Health of the Department of Health and Human Services to identify, as part of a background check, whether an applicant for a license to operate a child care facility, an employee of the facility, ~~for~~ certain adult residents of the facility or a participant in an outdoor youth program have been convicted of certain offenses. (NRS 432A.170) A person who has been convicted of any of the listed offenses must not be issued a license to operate a child care facility or, in the case of employees, ~~for~~ residents of the facility ~~or~~ or participants, must be terminated or removed from the facility ~~or~~ or program. (NRS 432A.160, 432A.1755)

The federal Child Care and Development Block Grant Act of 2014 prohibits child care facilities from employing persons convicted of certain additional offenses, ~~or~~ unless a review process is established by the State that allows the State to determine whether a person convicted of such crimes may continue to be eligible for employment at a child care facility. (42 U.S.C. ~~§ 9858f(c)~~) §§ 9858f(c), 9858f(e)) This bill adds those offenses to align Nevada law with federal standards.

In addition, this bill authorizes the Division of Public and Behavioral Health to adopt regulations to establish a process to review evidence upon request to determine whether an employee or resident of a child care facility or certain participants in an outdoor youth program may remain employed, continue to reside or participate in the program, as applicable, despite such a conviction.

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

Section 1. NRS 432A.170 is hereby amended to read as follows:

432A.170 1. The Division may, upon receipt of an application for a license to operate a child care facility, conduct an investigation into the:

- (a) Buildings or premises of the facility and, if the application is for an outdoor youth program, the area of operation of the program;
- (b) Qualifications and background of the applicant or the employees of the applicant;
- (c) Method of operation for the facility; and
- (d) Policies and purposes of the applicant.

2. The Division shall secure from appropriate law enforcement agencies information on the background and personal history of every applicant, licensee or employee of an applicant or licensee, or every resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older, to determine whether the person has been convicted of:

- (a) Murder, voluntary manslaughter or mayhem;
- (b) Any other felony involving the use of a firearm or other deadly weapon;
- (c) Assault with intent to kill or to commit sexual assault or mayhem;

(d) Sexual assault, statutory sexual seduction, incest, lewdness, indecent exposure or any other sexually related crime;

(e) ~~[Abuse or]~~ Any crime against a child, including, without limitation, abuse, neglect or endangerment of a child, ~~[or]~~ contributory delinquency ~~[;]~~ or pornography involving a minor;

(f) ~~[A violation of any federal or state law regulating]~~ Arson;

(g) Assault;

(h) Battery, including, without limitation, battery which constitutes domestic violence;

(i) Kidnapping;

(j) Any offense relating to the possession or use of any controlled substance or any dangerous drug as defined in chapter 454 of NRS within the immediately preceding 5 years;

(k) Any offense relating to the ~~[possession,]~~ distribution or ~~[use]~~ manufacture of any controlled substance or any dangerous drug as defined in chapter 454 of NRS;

~~[(g)]~~ (l) Abuse, neglect, exploitation, isolation or abandonment of older persons or vulnerable persons, including, without limitation, a violation of any provision of NRS 200.5091 to 200.50995, inclusive, or a law of any other jurisdiction that prohibits the same or similar conduct; or

~~[(h)]~~ (m) Any offense involving fraud, theft, embezzlement, burglary, robbery, fraudulent conversion or misappropriation of property within the immediately preceding 7 years.

3. The Division shall request information concerning every applicant, licensee or employee of an applicant or licensee, or every resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older, from:

(a) The Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report pursuant to NRS 432A.175; and

(b) The Statewide Central Registry for the Collection of Information Concerning the Abuse or Neglect of a Child established pursuant to NRS 432.100 to determine whether there has been a substantiated report of child abuse or neglect made against any of them.

4. The Division may charge each person investigated pursuant to this section for the reasonable cost of that investigation.

5. The information required to be obtained pursuant to subsections 2 and 3 must be requested concerning an:

(a) Employee of an applicant or licensee, resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older not later than 3 days after the employee is hired, the residency begins or the participant begins participating in the program, and then at least once every 5 years thereafter.

(b) Applicant at the time that an application is submitted for licensure, and then at least once every 5 years after the license is issued.

6. A person who is required to submit to an investigation required pursuant to this section shall not have contact with a child in a child care facility without supervision before the investigation of the background and personal history of the person has been conducted.

*Sec. 1.5. NRS 432A.1755 is hereby amended to read as follows:*

432A.1755 1. ~~Upon~~ Except as otherwise provided in subsection 3, upon receiving information pursuant to NRS 432A.175 from the Central Repository for Nevada Records of Criminal History or the Statewide Central Registry for the Collection of Information Concerning the Abuse or Neglect of a Child established pursuant to NRS 432.100 or evidence from any other source that an employee of an applicant for a license to operate a child care facility or a licensee, or a resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or participant in an outdoor youth program who is 18 years of age or older has been convicted of a crime listed in subsection 2 of NRS 432A.170 or has had a substantiated report of child abuse or neglect made against him or her, the applicant or licensee shall terminate the employment of the employee or remove the resident from the facility or participant from the outdoor youth program after allowing the employee, resident or participant time to correct the information as required pursuant to subsection 2.

2. If an employee, resident or participant believes that the information provided to the applicant or licensee pursuant to subsection 1 is incorrect, the employee, resident or participant must inform the applicant or licensee immediately. The applicant or licensee shall give any such employee, resident or participant 30 days to correct the information.

3. The Division may establish by regulation a process by which it may review evidence upon request to determine whether an employee of an applicant for a license to operate a child care facility or a licensee, or a resident of a child care facility who is 18 years of age or older, other than a resident who remains under the jurisdiction of a court pursuant to NRS 432B.594, or a participant in an outdoor youth program who is 18 years of age or older has been convicted of a crime listed in subsection 2 of NRS 432A.170 or has had a substantiated report of child abuse or neglect made against him or her may remain employed or continue to reside in the facility, as applicable, despite the conviction. Any such review must be conducted in a manner which does not discriminate against a person in violation of 42 U.S.C. § 2000e et seq.

4. If a process for review is established pursuant to subsection 3, an employee, resident or participant, as applicable, may request such a review in the manner established by the Division. Any determination made by the Division is final for purposes of judicial review.

5. During any period in which an employee, resident or participant seeks to correct information pursuant to subsection 2, ~~he~~ or requests a review of

information pursuant to subsection 4, it is within the discretion of the applicant or licensee whether to allow the employee, resident or participant to continue to work for or reside at the child care facility or participate in the outdoor youth program, as applicable, except that the employee, resident or participant shall not have contact with a child without supervision during such a period.

Sec. 2. This act becomes effective on July 1, 2017.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 718 to Senate Bill No. 46.

Remarks by Senator Spearman.

Amendment No. 718 revises Senate Bill No. 46 to include a review process similar to what is currently allowed in the federal law for potential staff members who are ineligible for employment due to certain drug-related offences pursuant to subsection 1.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senator Ford moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 3:30

#### SENATE IN SESSION

At 6:37 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. 83, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

KELVIN ATKINSON, *Chair*

*Mr. President:*

Your Committee on Education, to which was re-referred Senate Bill No. 390, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and re-refer to the Committee on Finance.

MOISES DENIS, *Chair*

*Mr. President:*

Your Committee on Revenue and Economic Development, to which was referred Senate Bill No. 487, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

JULIA RATTI, *Chair*

*Mr. President:*

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 862 to Assembly Bill No. 160.

KELVIN ATKINSON, *Chair*

*Mr. President:*

Your Committee on Transportation, to which was referred Assembly Bill No. 485, 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*

#### MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 23, 2017

*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. 405.

CAROL AIELLO-SALA  
*Assistant Chief Clerk of the Assembly*

#### MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that the following persons be accepted as accredited press representatives, and that they be assigned space at the press table and allowed the use of appropriate media facilities: CHARTER COMMUNICATIONS: Dan Cowley; ENTRAVISION-UNIVISION: Carolina Lopez; KOLO-TV: Andrew Fox, Neil Healy; KRNV-TV: Miles J. Buergin, Olivia Degennaro; KTVN-TV: Liz Olveda; LAHONTAN VALLEY NEWS: Steve Ranson; LAS VEGAS REVIEW-JOURNAL: Meghin Delaney, Colton Lochhead; MESQUITE WEEKLY: Rudy Moertl; NOW REPORT, THE: Don Lyle; SPARKS TRIBUNE, U-NEWS: Andrew Barbano.

Motion carried.

#### INTRODUCTION, FIRST READING AND REFERENCE

Assembly Bill No. 405.

Senator Atkinson moved that the bill be referred to the Committee on Commerce, Labor and Energy.

Motion carried.

#### SECOND READING AND AMENDMENT

Senate Bill No. 390.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 848.

SUMMARY—Extending and revising the Zoom schools program for the 2017-2019 biennium. (BDR S-788)

AN ACT relating to education; extending the duration of the Zoom schools program; authorizing a Zoom elementary school to use money distributed to the school to provide an extended school day or summer academy or intersession; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

During the 77th Session of the Nevada Legislature, the Legislature appropriated money for the Clark County School District and the Washoe County School District to carry out a program of Zoom elementary schools during the 2013-2015 biennium to provide a comprehensive package of programs and services for children who are limited English proficient (now

referred to as English learners) or eligible for such a designation. The other school districts and the State Public Charter School Authority were also authorized to apply for a grant of money from the appropriation to provide programs and services to children who were limited English proficient or eligible for such a designation. (Section 16.2 of chapter 515, Statutes of Nevada 2013, p. 3418)

The 78th Session of the Nevada Legislature continued and expanded the Zoom schools program to middle schools, junior high schools and high schools in the Clark County School District and the Washoe County School District for the 2015-2017 biennium through the enactment of Senate Bill No. 405. (Chapter 335, Statutes of Nevada 2015, p. 1869) S.B. 405 (2015) also authorized the other school districts and the governing bodies of charter schools to apply to the Department of Education for a grant of money from the appropriation made by the 2015 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for Zoom schools to provide programs and services during the 2015-2017 biennium for children who were limited English proficient or eligible for such a designation. S.B. 405 (2015) required the school districts and charter schools that received money for Zoom schools to submit a report to the Department at the beginning of the biennium to identify the plan of the Zoom schools in the districts or charter schools to carry out the programs and services required by the bill. The Department of Education was then required to submit a report to the State Board of Education and to the Legislature with such information. S.B. 405 (2015) required the State Board of Education to prescribe statewide performance levels and outcome indicators to measure the effectiveness of the programs and services for which grant money was received by the school districts and charter schools. S.B. 405 (2015) required the Department of Education to contract for an independent evaluation of the effectiveness of the programs and services provided by the school districts and charter schools that received money. S.B. 405 (2015) also required the Clark County School District and the Washoe County School District to prepare annual reports for submission to the Department of Education and further required the Department of Education to prepare an annual report with the information for submission to the State Board of Education and the Legislature

This bill largely mirrors the provisions of S.B. 405 (2015) and extends the Zoom schools program for the 2017-2019 biennium. ~~{The provisions of this bill largely mirror the provisions of S.B. 405 (2015), but}~~ This bill requires the elementary schools, middle schools, junior high schools and high schools that were identified to operate as Zoom schools for the 2015-2017 biennium to continue to operate as Zoom schools for the 2017-2019 biennium. This bill also revises the manner in which a certain amount of money received by ~~for elementary~~ a Zoom school must be used.

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

Section 1. 1. The elementary schools identified to operate as Zoom

elementary schools by the Board of Trustees of the Clark County School District and the Board of Trustees of the Washoe County School District ~~[shall identify the elementary schools within the School District]~~ for the 2015-2017 biennium shall continue to operate as Zoom elementary schools ~~[based upon which elementary schools within the School District:~~

- ~~— (a) Have the highest percentage of pupils who are English learners or eligible for designation as English learners; and~~
- ~~— (b) Are the lowest performing academically.] for the 2017-2019 biennium.~~

2. ~~[The]~~ Except as otherwise provided in subsection 3, the Board of Trustees of the Clark County School District and the Board of Trustees of the Washoe County School District shall distribute the money appropriated by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation created by NRS 387.1247 for each Zoom elementary school of those school districts to:

- (a) Provide prekindergarten programs free of charge;
- (b) ~~[Expand full-day kindergarten classes;~~
- ~~— (c)]~~ Operate reading skills centers;
- ~~[(d)]~~ (c) Provide professional development for teachers and other licensed educational personnel regarding effective instructional practices and strategies for children who are English learners;
- ~~[(e)]~~ (d) Offer recruitment and retention incentives for the teachers and other licensed educational personnel who provide any of the programs and services set forth in this subsection from the list of incentives prescribed by the State Board of Education pursuant to subsection 12;
- ~~[(f)]~~ (e) Engage and involve parents and families of children who are English learners, including, without limitation, increasing effective, culturally appropriate communication with and outreach to parents and families to support the academic achievement of those children; and
- ~~[(g)]~~ (f) Provide, free of charge, a summer academy or an intersession academy for those schools that do not operate on a traditional school calendar, including, without limitation, the provision of transportation to attend the summer academy or intersession academy or provide for an extended school day.

3. A Zoom elementary school that receives money pursuant to subsection 2 shall offer each of the programs and services prescribed in paragraphs (a) ~~[to (f), inclusive,]~~ and (b) of that subsection, and one of the programs prescribed in paragraph ~~[(e)]~~ (f) of that subsection, so the Zoom elementary school may offer a comprehensive package of programs and services for pupils who are English learners. A Zoom elementary school ~~[shall not]~~ :

- (a) Shall not use the money for any other purpose or use more than ~~[(2)]~~ 5 percent of the money for the purposes described in paragraphs (c), (d), ~~[(f)]~~ and (e) ~~[and (f)]~~ of subsection 2 ~~[(f)]~~ ; and
- (b) May only use the money for the purposes described in paragraphs (c), (d) and (e) of subsection 2 if the board of trustees of the school district

determines that such a use will not negatively impact the services provided to pupils enrolled in a Zoom elementary school.

4. A reading skills center operated by a Zoom elementary school must provide:

(a) Support at the Zoom elementary school in the assessment of reading and literacy problems and language acquisition barriers for pupils; ~~and~~

(b) Instructional intervention to enable pupils to overcome such problems and barriers by the completion of grade 3 ~~;~~ and

(c) Instructional intervention to enable pupils enrolled in grade 4 or 5 who were not able to overcome such problems and barriers by the completion of grade 3 to overcome them as soon as practicable.

5. ~~The Board of Trustees of the Clark County School District shall identify at least three middle schools, junior high schools or high schools within the school district identified to operate as Zoom middle schools, junior high schools or high schools. The Board of Trustees of the Washoe Clark County School District and the Board of Trustees of the Washoe County School District for the 2015-2017 biennium shall identify at least one middle school, junior high school or high school within the school district to operate as a Zoom middle school, junior high school or high school. Each such board of trustees shall identify those schools based upon which middle schools, junior high schools and high schools within the school district~~  
~~(a) Have the highest percentage of pupils who are English learners; and~~  
~~(b) Are the lowest performing academically.~~ , as applicable, for the 2017-2019 biennium.

6. The Clark County School District and the Washoe County School District shall distribute the money appropriated by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for each Zoom middle school, junior high school and high school of those school districts to carry out one or more of the following:

(a) Reduce class sizes for pupils who are English learners and provide English language literacy based classes;

(b) Provide direct instructional intervention to each pupil who is an English learner using the data available from applicable assessments of that pupil;

(c) Provide professional development for teachers and other licensed educational personnel regarding effective instructional practices and strategies for pupils who are English learners;

(d) Offer recruitment and retention incentives for teachers and other licensed educational personnel who provide any of the programs and services set forth in this subsection from the list of incentives prescribed by the State Board of Education pursuant to subsection 12;

(e) Engage and involve parents and families of pupils who are English learners, including, without limitation, increasing effective, culturally appropriate communication with and outreach to parents and families to support the academic achievement of those pupils;



(f) Provide other evidence-based programs and services that are approved by the Department of Education and that are designed to meet the specific needs of pupils enrolled in the school who are English learners;

(g) Provide, free of charge, a summer academy or an intersession academy for those schools that do not operate on a traditional school calendar, including, without limitation, the provision of transportation to attend the summer academy or intersession academy; and

(h) Provide for an extended school day.

↪ The Clark County School District and the Washoe County School District shall not use more than ~~12~~ 5 percent of the money for the purposes described in paragraphs (c), (d) and (e). ~~It~~ and may only use the money for the purposes described in paragraphs (c), (d) and (e) if the board of trustees of the school district determines that such use will not negatively impact the services provided to pupils enrolled in a Zoom middle school, junior high school or high school.

7. On or before August 1, 2017, the Clark County School District and the Washoe County School District shall each provide a report to the Department of Education which includes: ~~the~~

(a) ~~Zoom~~ The names of the elementary schools identified by the School District operating as Zoom schools pursuant to subsection 1 and the plan of each such school for carrying out the programs and services prescribed by paragraphs (a) to ~~(e)~~ (f), inclusive, of subsection 2; ~~and~~

(b) ~~Zoom~~ The names of the middle schools, junior high schools and high schools identified by the School District operating as Zoom schools pursuant to subsection 5 and the plan of each school for carrying out the programs and services described in paragraphs (a) to (h), inclusive, of subsection 6. ~~It~~ and

(c) Evidence of the progress of pupils at each Zoom school, as measured by common standards and assessments, including, without limitation, interim assessments identified by the State Board of Education, if the State Board has identified such assessments.

8. From the money appropriated by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for Zoom schools or charter schools or school districts other than the Clark County School District or Washoe County School District, the Department of Education shall provide grants of money to the sponsors of such charter schools and the school districts. The sponsor of such a charter school and the board of trustees of such a school district may submit an application to the Department on a form prescribed by the Department that includes, without limitation:

(a) The number of pupils in the school district or charter school, as applicable, who are English learners or eligible for designation as English learners; and

(b) A description of the programs and services the school district or charter school, as applicable, will provide with a grant of money, which may include, without limitation:

(1) The creation or expansion of high-quality, developmentally appropriate prekindergarten programs, free of charge, that will increase enrollment of children who are English learners;

(2) The acquisition and implementation of empirically proven assessment tools to determine the reading level of pupils who are English learners and technology-based tools, such as software, designed to support the learning of pupils who are English learners;

(3) Professional development for teachers and other educational personnel regarding effective instructional practices and strategies for children who are English learners;

(4) The provision of programs and services for pupils who are English learners, free of charge, before and after school, during the summer or intersession for those schools that do not operate on a traditional school calendar, including, without limitation, the provision of transportation to attend the summer academy or intersession academy;

(5) Engaging and involving parents and families of children who are English learners, including, without limitation, increasing effective, culturally appropriate communication with and outreach to parents and families to support the academic achievement of those children;

(6) Offering recruitment and retention incentives for the teachers and other licensed educational personnel who provide any of the programs and services set forth in this subsection from the list of incentives prescribed by the State Board of Education pursuant to subsection 12; and

(7) Provide other evidence-based programs and services that are approved by the Department and that are designed to meet the specific needs of pupils enrolled in the school who are English learners.

9. The Department of Education shall award grants of money to school districts and the sponsors of charter schools that submit applications pursuant to subsection 8 based upon the number of pupils enrolled in each such school district or charter school, as applicable, who are English learners or eligible for designation as English learners, and not on a competitive basis.

10. A school district and a sponsor of a charter school that receives a grant of money pursuant to subsection 8:

(a) Shall not use more than ~~12~~ 5 percent of the money for the purposes described in subparagraphs (3), (5) and (6) of paragraph (b) of subsection 8 ~~and may only use the money for the purposes described in subparagraphs (3), (5) and (6) of paragraph (b) of subsection 8 if the board of trustees of the school district or the governing body of the charter school, as applicable, determines that such a use would not negatively impact the services provided to pupils enrolled in the school.~~

(b) Shall provide a report to the Department of Education in the form prescribed by the Department with the information required for the Department's report pursuant to subsection 15.

11. On or before August 17, 2017, the Department of Education shall submit a report to the State Board of Education and the Director of the

Legislative Counsel Bureau for transmittal to the Interim Finance Committee which includes:

(a) The information reported by the Clark County School District and the Washoe County School District pursuant to subsection 7; and

(b) The school districts and charter schools for which a grant of money is approved pursuant to subsection 9 and the plan of each such school district and charter school for carrying out programs and services with the grant money, including, without limitation, any programs and services described in subparagraphs (1) to (7), inclusive, of paragraph (b) of subsection 8.

12. The State Board of Education shall prescribe:

(a) A list of recruitment and retention incentives for the school districts and the sponsors of charter schools that receive a distribution of money pursuant to this section to offer to teachers and other licensed educational personnel pursuant to paragraph ~~(c)~~ (d) of subsection 2, paragraph (d) of subsection 6 and subparagraph (6) of paragraph (b) of subsection 8; and

(b) Criteria and procedures to notify a school district or a charter school that receives money pursuant to this section if the school district or charter school is not implementing the programs and services for which the money was received in accordance with the applicable requirements of this section or in accordance with the performance levels prescribed by the State Board pursuant to subsection 13, including, without limitation, a plan of corrective action for the school district or charter school to follow to meet the requirements of this section or the performance levels.

13. The State Board of Education shall prescribe statewide performance levels and outcome indicators to measure the effectiveness of the programs and services for which money is received by the school districts and charter schools pursuant to this section. The performance levels must establish minimum expected levels of performance on a yearly basis based upon the performance results of children who participate in the programs and services. The outcome indicators must be designed to track short-term and long-term impacts on the progress of children who participate in the programs and services, including, without limitation:

(a) The number of children who participated;

(b) The extent to which the children who participated improved their English language proficiency and literacy levels compared to other children who are English learners or eligible for such a designation who did not participate in the programs and services; and

(c) To the extent that a valid comparison may be established, a comparison of the academic achievement and growth in the subject areas of English language arts and mathematics of children who participated in the programs and services to other children who are English learners or eligible for such a designation who did not participate in the programs and services.

14. The Department of Education shall contract for an independent evaluation of the effectiveness of the programs and services offered by each Zoom elementary school pursuant to subsection 2, each Zoom middle school,

junior high school and high school pursuant to subsection 6 and the programs and services offered by the other school districts and the charter schools pursuant to subsection 8.

15. The Clark County School District, the Washoe County School District and the Department of Education shall each prepare an annual report that includes, without limitation:

(a) An identification of the schools that received money from the School District or a grant of money from the Department, as applicable.

(b) How much money each such school received.

(c) A description of the programs or services for which the money was used by each such school.

(d) The number of children who participated in a program or received services.

(e) The average per-child expenditure per program or service that was funded.

(f) For the report prepared by the School Districts, an evaluation of the effectiveness of such programs and services, including, without limitation, data regarding the academic and linguistic achievement and proficiency of children who participated in the programs or received services.

(g) Any recommendations for legislation, including, without limitation:

(1) For the continuation or expansion of programs and services that are identified as effective in improving the academic and linguistic achievement and proficiency of children who are English learners.

(2) A plan for transitioning the funding for providing the programs and services set forth in this section to pupils who are English learners from categorical funding to a weighted per pupil formula within the Nevada Plan.

(h) For the report prepared by the Department, in addition to the information reported for paragraphs (a) to (e), inclusive, and paragraph (g):

(1) The results of the independent evaluation required by subsection 14 of the effectiveness of the programs and services, including, without limitation, data regarding the academic and linguistic achievement and proficiency of children who participated in a program or received a service;

(2) Whether a school district or charter school was notified that it was not implementing the programs and services for which it received money pursuant to this section in accordance with the applicable requirements of this section or in accordance with the performance levels prescribed by the State Board of Education pursuant to subsection 13 and the status of such a school district or charter school, if any, in complying with a plan for corrective action; and

(3) Whether each school district or charter school that received money pursuant to this section met the performance levels prescribed by the State Board of Education pursuant to subsection 13.

16. The annual report prepared by the Clark County School District and the Washoe County School District pursuant to subsection 15 must be submitted to the Department of Education on or before June 1, 2018, and January 16, 2019, respectively. The Department shall submit the information

reported by those school districts and the information prepared by the Department pursuant to subsection 15:

(a) On or before June 15, 2018, to the State Board of Education and the Legislative Committee on Education.

(b) On or before February 1, 2019, to the State Board of Education and the Director of the Legislative Counsel Bureau for transmittal to the 80th Session of the Nevada Legislature.

17. The Department of Education may require a Zoom school or other public school that receives money pursuant to this section to provide a report to the Department on:

(a) The number of vacancies, if any, in full-time licensed educational personnel at the school;

(b) The number of probationary employees, if any, employed at the school;

(c) The number, if any, of persons who are employed at the school as substitute teachers for 20 consecutive days or more in the same classroom or assignment and designated as long-term substitute teachers; and

(d) Any other information relating to the personnel at the school as requested by the Department.

18. The money appropriated by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for Zoom schools must be accounted for separately from any other money received by school districts or charter schools of this State and used only for the purposes specified in this section.

19. Except as otherwise provided in paragraph ~~((c))~~ (d) of subsection 2, paragraph (d) of subsection 6 and subparagraph (6) of paragraph (b) of subsection 8, the money appropriated by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for Zoom schools:

(a) May not be used to settle or arbitrate disputes between a recognized organization representing employees of a school district and the school district, or to settle any negotiations.

(b) May not be used to adjust the district-wide schedules of salaries and benefits of the employees of a school district.

20. Upon request of the Legislative Commission, the Clark County School District and the Washoe County School District shall make available to the Legislative Auditor any of the books, accounts, claims, reports, vouchers or other records of information, confidential or otherwise, regardless of their form or location, that the Legislative Auditor deems necessary to conduct an audit of the use of the money distributed by the 2017 Legislature to the Account for Programs for Innovation and the Prevention of Remediation for Zoom schools.

21. As used in this section:

(a) "English learner" has the meaning ascribed to it in 20 U.S.C. § 7801(20).

(b) "Probationary employee" has the meaning ascribed to it in NRS 391.650.

Sec. 2. Section 3 of chapter 335, Statutes of Nevada 2015, at page 1875, is hereby amended to read as follows:

Sec. 3. This act becomes effective on July 1, 2015 ~~+~~, *and expires by limitation on June 30, 2017.*

Sec. 3. This act becomes effective on July 1, 2017, and expires by limitation on June 30, 2019.

Senator Denis moved the adoption of the amendment.

Remarks by Senator Denis.

Amendment No. 848 to Senate Bill No. 390 continues operation of the existing Zoom schools for the coming biennium; eliminates provisions for funding full-day kindergarten; allows not more than 5 percent of Zoom funds to be used for professional development, family engagement and teacher incentives; requires a reading skills center in a Zoom elementary school to provide additional instruction for students in grades 4 or 5, for whom academic barriers still exist, and requires reporting of the progress of Zoom students as measured by common assessments.

Amendment adopted.

Senator Denis moved to re-refer the bill to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, engrossed and to the Committee on Finance.

Senate Bill No. 487.

Bill read second time.

The following amendment was proposed by the Committee on Revenue and Economic Development:

Amendment No. 901.

SUMMARY—~~[Imposes an excise tax on]~~ Revises provisions relating to sales of marijuana and related products. ~~[by a retail marijuana store.]~~ (BDR 32-818)

AN ACT relating to marijuana; revising provisions governing the excise taxes on sales of marijuana for medical purposes; imposing an excise tax on sales of marijuana and related products by a retail marijuana store; distributing the money raised by ~~the~~ such excise ~~tax to cities and counties;~~ taxes; requiring each marijuana establishment and medical marijuana establishment to submit to the Department of Taxation a report of information concerning the production and sale of marijuana; establishing limitations on the ~~use of the proceeds of the excise tax~~ regulation and taxation of a marijuana establishment or medical marijuana establishment by a city, town or county; ~~requiring the creation of an advisory committee on mental health and substance abuse issues in each county;~~ transferring responsibility for the regulation of medical marijuana establishments from the Division of Public and Behavioral Health of the Department of Health and Human Services to the Department of Taxation; providing for the issuance of additional medical marijuana establishment registration certificates; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes an excise tax at the rate of 2 percent upon each

wholesale sale of marijuana by a cultivation facility, each wholesale sale of edible marijuana products or marijuana-infused products by a facility for the production of edible marijuana products or marijuana-infused products and each retail sale of marijuana, edible marijuana products or marijuana-infused products by a medical marijuana dispensary. (NRS 372A.290) Existing law also imposes an excise tax at the rate of 15 percent upon each wholesale sale of marijuana by a marijuana cultivation facility. (NRS 453D.500) Section 9 of this bill : (1) increases the rate of the excise tax on a wholesale sale of marijuana for medical use by a cultivation facility from 2 percent to 15 percent; (2) abolishes the excise tax on sales by a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary; and (3) imposes upon retail sales of marijuana or marijuana products by a retail marijuana store an excise tax at the rate of 10 percent of the sales price of the marijuana or product. Sections 1-8 and 10-14 of this bill make conforming changes.

Section 3.5 of this bill requires each marijuana establishment and medical marijuana establishment to submit a report to the Department of Taxation that includes certain information concerning the production and sale of marijuana by the establishment.

Existing law distributes 75 percent of the proceeds of the excise taxes on medical marijuana establishments to the State Distributive School Account in the State General Fund and 25 percent to pay the costs of the Division of Public and Behavioral Health of the Department of Health and Human Services in carrying out the laws of this State relating to medical marijuana establishments. (NRS 372A.290) Existing law also distributes the proceeds of the excise tax on marijuana cultivation facilities to the Department of Taxation and each locality to pay for the costs of carrying out the laws of this State relating to recreational marijuana establishments, with any remainder to be deposited in the State Distributive School Account in the State General Fund. (NRS 453D.510) Section 9 of this bill ~~distributes 50 percent of the proceeds of the excise tax on retail marijuana stores, without regard to the location of the stores, as follows: (1) 20 percent to the Increased Access to Mental Health and Substance Abuse Treatment Account created by section 19 of this bill; and (2) 30 percent to the State Distributive School Account in the State General Fund. The distribution of the remaining 50 percent of the proceeds is based upon the location of the business as follows: (1) for a retail marijuana store located in the unincorporated area of a county, 50 percent to the county; and (2) for a retail marijuana store located in an incorporated city, 15 percent to the incorporated city and 35 percent to the county in which the city is located. Sections 16 and 18 of this bill establish the purposes for which a city or county may use the money received from the excise tax on retail marijuana stores. Section 17 of this bill requires each county to create an advisory committee on mental health and substance abuse issues which is required to make recommendations regarding the use of the money. Section 19 of this bill creates the Increased Access to Mental Health and Substance Abuse Treatment~~

~~Account in the State General Fund and requires any claim against the Account to be approved by the Administrator of the Division of Public and Behavioral Health of the Department of Health and Human Services before payment.~~ revises the distribution of the proceeds of the excise tax imposed on wholesale sales of marijuana for medical use by a cultivation facility to another medical marijuana establishment to be similar to the distribution of the proceeds of the excise tax on a marijuana cultivation facility for the retail sale of marijuana or marijuana products. Section 9 also deems an amount of \$5,000,000 from such excise taxes in each fiscal year to be sufficient to pay the costs of local governments to carry out the provisions of state law relating to the sale of marijuana for medical or other use. Finally, section 9 distributes the proceeds of the excise tax on the retail sale of marijuana to the State Distributive School Account in the State General Fund.

Sections 15 and 17.5-18.7 of this bill limit the regulations and license taxes that a city, town or county may impose on a marijuana establishment or medical marijuana establishment.

Sections 20-56 of this bill transfer the responsibility for the regulation of medical marijuana establishments from the Division of Public and Behavioral Health of the Department of Health and Human Services to the Department of Taxation.

Section 30 of this bill requires the issuance of one medical marijuana establishment registration certificate for each incorporated city in a county whose population is less than 100,000 (currently all counties other than Clark and Washoe) and allows the Department of Taxation to accept applications for the issuance of such certificates: (1) if the application is accompanied by a letter from the incorporated city endorsing the issuance of the certificate; and (2) on or before December 31, 2018, only from applicants who already hold a medical marijuana establishment registration certificate unless no medical marijuana establishment registration certificate has been issued to a medical marijuana dispensary located in the incorporated city. Section 30 also requires the issuance of a medical marijuana establishment registration certificate for at least one cultivation facility and at least one facility for the production of edible marijuana products and marijuana-infused products in each county.

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

Section 1. Chapter 372A of NRS is hereby amended by adding thereto the provisions set forth as sections 2, ~~(and)~~ 3 and 3.5 of this act.

Sec. 2. *"Retail marijuana store" has the meaning ascribed to it in NRS 453D.030.*

Sec. 3. 1. *"Sales price" means the total amount for which tangible property is sold, valued in money, whether paid in money or otherwise, without any deduction on account of any of the following:*

*(a) The cost of the property sold.*

*(b) The cost of materials used, labor or service cost, interest charged, losses or any other expenses.*



(c) *The cost of transportation of the property before its purchase.*

2. *The total amount for which property is sold includes all of the following:*

(a) *Any services that are a part of the sale.*

(b) *Any amount for which credit is given to the purchaser by the seller.*

3. *"Sales price" does not include any of the following:*

(a) *Cash discounts allowed and taken on sales.*

(b) *The amount charged for property returned by customers when the entire amount charged therefor is refunded either in cash or credit, except that this exclusion does not apply in any instance when the customer, to obtain the refund, is required to purchase other property at a price greater than the amount charged for the property that is returned.*

(c) *The amount of any tax, not including any manufacturers' or importers' excise tax, imposed by the United States upon or with respect to retail sales, whether imposed upon the retailer or the consumer.*

Sec. 3.5. 1. Each cultivation facility and each marijuana cultivation facility shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:

(a) The current production of the cultivation facility or marijuana cultivation facility;

(b) Sales by product type;

(c) Prices by product type; and

(d) Such other information as the Department may require.

2. Each facility for the production of edible marijuana products or marijuana-infused products and each marijuana product manufacturing facility shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:

(a) The amount of marijuana purchased;

(b) The amount of edible marijuana products, marijuana-infused products and marijuana products produced;

(c) Sales by product type;

(d) Prices by product type; and

(e) Such other information as the Department may require.

3. Each medical marijuana dispensary and each retail marijuana store shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report:

(a) The amount of marijuana purchased by the dispensary or store from cultivation facilities, marijuana cultivation facilities, facilities for the production of edible marijuana products or marijuana-infused products or marijuana product manufacturing facilities;

(b) Sales to consumers by product type;

(c) Prices by product type; and

(d) Such other information as the Department may require.

4. The Department shall adopt regulations prescribing the frequency of the reports required pursuant to this section which must be submitted not less frequently than quarterly and not more frequently than monthly.

5. As used in this section:

(a) "Cultivation facility" has the meaning ascribed to it in NRS 453A.056.

(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(c) "Facility for the production of edible marijuana products or marijuana-infused products" has the meaning ascribed to it in NRS 453A.105.

(d) "Marijuana cultivation facility" has the meaning ascribed to it in NRS 453D.030.

(e) "Marijuana product manufacturing facility" has the meaning ascribed to it in NRS 453D.030.

(f) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(g) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(h) "Medical marijuana dispensary" has the meaning ascribed to it in NRS 453A.115.

Sec. 4. NRS 372A.200 is hereby amended to read as follows:

372A.200 As used in NRS 372A.200 to 372A.380, inclusive, and sections 2 and 3 of this act, unless the context otherwise requires, the words and terms defined in NRS 372A.210 to 372A.250, inclusive, and sections 2 and 3 of this act have the meanings ascribed to them in those sections.

Sec. 5. NRS 372A.220 is hereby amended to read as follows:

372A.220 "Excise tax on ~~medical~~ marijuana" means any of the excise taxes imposed by NRS 372A.290.

Sec. 6. NRS 372A.250 is hereby amended to read as follows:

372A.250 "Taxpayer" means a:

1. Cultivation facility; *or*

2. ~~Facility for the production of edible marijuana products or marijuana-infused products; or~~

~~3. Medical marijuana dispensary; or~~

~~4. Retail marijuana store.~~

Sec. 7. NRS 372A.260 is hereby amended to read as follows:

372A.260 The provisions of chapter 360 of NRS relating to the payment, collection, administration and enforcement of taxes, including, without limitation, any provisions relating to the imposition of penalties and interest, shall be deemed to apply to the payment, collection, administration and enforcement of the excise tax on ~~medical~~ marijuana to the extent that those provisions do not conflict with the provisions of NRS 372A.200 to 372A.380, inclusive ~~and~~, and sections 2 and 3 of this act.

Sec. 8. NRS 372A.280 is hereby amended to read as follows:

372A.280 1. To verify the accuracy of any return filed by a taxpayer or, if no return is filed, to determine the amount required to be paid, the Department, or any person authorized in writing by the Department, may

examine the books, papers and records of any person who may be liable for the excise tax on ~~medical~~ marijuana.

2. Any person who may be liable for the excise tax on ~~medical~~ marijuana and who keeps outside of this State any books, papers and records relating thereto shall pay to the Department an amount equal to the allowance provided for state officers and employees generally while traveling outside of the State for each day or fraction thereof during which an employee of the Department is engaged in examining those documents, plus any other actual expenses incurred by the employee while he or she is absent from his or her regular place of employment to examine those documents.

Sec. 9. NRS 372A.290 is hereby amended to read as follows:

372A.290 1. An excise tax is hereby imposed on each wholesale sale in this State of marijuana by a cultivation facility to another medical marijuana establishment at the rate of ~~12~~ 15 percent of the ~~sales price~~ fair market value at wholesale of the marijuana. The excise tax imposed pursuant to this subsection is the obligation of the cultivation facility.

~~2. An excise tax is hereby imposed on each wholesale sale in this State of concentrated cannabis, edible marijuana products or marijuana infused products by a facility for the production of edible marijuana products or marijuana infused products to another medical marijuana establishment at the rate of 2 percent of the sales price of those products. The excise tax imposed pursuant to this subsection is the obligation of the facility for the production of edible marijuana products or marijuana infused products which sells the concentrated cannabis, edible marijuana products or marijuana infused products to the other medical marijuana establishment.~~

~~3. An excise tax is hereby imposed on each retail sale in this State of marijuana, concentrated cannabis, edible marijuana products or marijuana infused products by a medical marijuana dispensary at the rate of 2 percent of the sales price of the marijuana, concentrated cannabis, edible marijuana products or marijuana infused products. The excise tax imposed pursuant to this subsection:~~

- ~~(a) Is the obligation of the medical marijuana dispensary.~~
- ~~(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.~~
- ~~(c) Must be considered part of the total retail price to which general state and local sales and use taxes apply.~~

~~4. An excise tax is hereby imposed on each retail sale in this State of marijuana or marijuana products [as defined in NRS 453D.030] by a retail marijuana store at the rate of 10 percent of the sales price of the marijuana or marijuana products. The excise tax imposed pursuant to this subsection:~~

- ~~(a) Is the obligation of the retail marijuana store.~~
- ~~(b) Is separate from and in addition to any general state and local sales and use taxes that apply to retail sales of tangible personal property.~~
- ~~(c) Must be considered part of the total retail price to which general state and local sales and use taxes apply.~~

~~5.7~~ 3. The revenues collected from the excise ~~{taxes}~~ tax imposed pursuant to ~~{subsections}~~ subsection 1 ~~{, 2 and 3}~~ must be distributed : ~~{as follows:}~~

(a) ~~{Seventy five percent must be paid over as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.}~~ To the Department and to local governments in an amount determined to be necessary by the Department to pay the costs of the Department and local governments in carrying out the provisions of chapter 453A of NRS; and

(b) ~~{Twenty five percent must be expended to pay the costs of the Division of Public and Behavioral Health of the Department of Health and Human Services in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive.}~~

~~5.6.1~~ If any money remains after the revenues are distributed pursuant to paragraph (a), to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

4. For the purpose of subsection 3 and NRS 453D.510, a total amount of \$5,000,000 of the revenues collected from the excise tax imposed pursuant to subsection 1 and the excise tax imposed pursuant to NRS 453D.500 in each fiscal year shall be deemed sufficient to pay the costs of all local governments to carry out the provisions of chapters 453A and 453D of NRS. The Department shall, by regulation, determine the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapters 453A and 453D of NRS.

5. The revenues collected from the excise tax imposed pursuant to subsection ~~{4}~~ 2 must be ~~{distributed as follows:}~~

~~(a) Twenty percent must be paid over as collected to the State Treasurer to be deposited to the credit of the Increased Access to Mental Health and Substance Abuse Treatment Account created by section 19 of this act.~~

~~(b) Thirty percent must be}~~ paid over as collected to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

~~{(c) Fifty percent must be deposited in the Local Government Tax Distribution Account created by NRS 360.660 for distribution to local governments in an amount for each local government based on the tax paid within each local government as follows:}~~

~~(1) For any tax paid in the unincorporated area of a county, the full amount deposited in the Local Government Tax Distribution Account must be distributed to the county in which the tax was paid for use as described in section 16 of this act.~~

~~(2) For any tax paid in an incorporated city:~~

~~(I) Thirty percent of the amount deposited in the Local Government Tax Distribution Account must be distributed to the incorporated city in which the tax was paid for use as described in section 18 of this act; and~~

~~(II) Seventy percent of the amount deposited in the Local Government Tax Distribution Account must be distributed to the county in which the tax was paid for use as described in section 16 of this act.~~

~~7.1~~ 6. As used in this section:

(a) ~~["Concentrated cannabis" has the meaning ascribed to it in NRS 453.042.~~

~~(b) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.~~

~~(b) (c)~~ "Local government" has the meaning ascribed to it in NRS 360.640.

~~(d) "Marijuana infused"~~

(b) "Marijuana products" has the meaning ascribed to it in NRS ~~[453A.112.] 453D.030.~~

(c) ~~(c)~~ "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 10. NRS 372A.300 is hereby amended to read as follows:

372A.300 If the Department determines that the excise tax on ~~medical~~ marijuana or any penalty or interest has been paid more than once or has been erroneously or illegally collected or computed, the Department shall set forth that fact in the records of the Department and certify to the State Board of Examiners the amount collected in excess of the amount legally due and the person from whom it was collected or by whom it was paid. If approved by the State Board of Examiners, the excess amount collected or paid must, after being credited against any amount then due from the person in accordance with NRS 360.236, be refunded to the person or his or her successors in interest.

Sec. 11. NRS 372A.310 is hereby amended to read as follows:

372A.310 1. Except as otherwise provided in NRS 360.235 and 360.395:

(a) No refund of the excise tax on ~~medical~~ marijuana may be allowed unless a claim for refund is filed with the Department within 3 years after the last day of the month following the month for which the overpayment was made.

(b) No credit may be allowed after the expiration of the period specified for filing claims for refund unless a claim for credit is filed with the Department within that period.

2. Each claim must be in writing and must state the specific grounds upon which the claim is founded.

3. The failure to file a claim within the time prescribed in subsection 1 constitutes a waiver of any demand against the State on account of any overpayment.

Sec. 12. NRS 372A.320 is hereby amended to read as follows:

372A.320 1. Except as otherwise provided in subsection 2, NRS 360.320 or any other specific statute, interest must be paid upon any overpayment of the excise tax on ~~medical~~ marijuana at the rate set forth in, and in accordance with the provisions of, NRS 360.2937.

2. If the Department determines that any overpayment has been made intentionally or by reason of carelessness, the Department shall not allow any interest on the overpayment.

Sec. 13. NRS 372A.360 is hereby amended to read as follows:

372A.360 1. No injunction, writ of mandate or other legal or equitable process may issue in any suit, action or proceeding in any court against this State or against any officer of the State to prevent or enjoin the collection of the excise tax on ~~medical~~ marijuana or any amount of tax, penalty or interest required to be collected.

2. No suit or proceeding, including, without limitation, a proceeding for judicial review, may be maintained in any court for the recovery of any amount alleged to have been erroneously or illegally determined or collected unless a claim for refund or credit has been filed within the time prescribed in NRS 372A.310.

Sec. 14. NRS 372A.370 is hereby amended to read as follows:

372A.370 1. A person shall not, with intent to defraud the State or evade payment of the excise tax on ~~medical~~ marijuana or any part of the tax:

(a) Make, cause to be made or permit to be made any false or fraudulent return or declaration or false statement in any return or declaration.

(b) Make, cause to be made or permit to be made any false entry in books, records or accounts.

(c) Keep, cause to be kept or permit to be kept more than one set of books, records or accounts.

2. Any person who violates the provisions of subsection 1 is guilty of a gross misdemeanor.

Sec. 15. Chapter 244 of NRS is hereby amended by adding thereto ~~the provisions set forth as sections 16 and 17 of this act.~~ a new section to read as follows:

1. Except as otherwise provided in this section, a board of county commissioners shall not fix, impose or collect a license tax for revenue or for regulation, or for both revenue and regulation, on a marijuana establishment or medical marijuana establishment located in the county.

2. Except as otherwise provided in subsection 3, a board of county commissioners may fix, impose and collect a license tax for revenue or for regulation, or for both revenue and regulation, on a marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns as a:

(a) Flat fee;

(b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or

(c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.

3. The total amount of a license tax imposed on a marijuana establishment or medical marijuana establishment pursuant to subsection 2, regardless of whether the license tax is imposed in the form described in paragraph (a), (b)

or (c) of subsection 2, must not exceed 3 percent of the gross revenue of the marijuana establishment or medical marijuana establishment, as applicable.

4. In addition to any amount of money collected as a license tax pursuant to subsection 2, a board of county commissioners may fix, impose and collect:

(a) Any fees required pursuant to chapter 278 of NRS;

(b) A one-time flat fee for an application for the issuance of a business license for a marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns in an amount that does not exceed any similar fee imposed on a business pursuant to this chapter and chapter 369 of NRS; and

(c) A licensing tax for a business activity engaged in by a marijuana establishment or medical marijuana establishment located in the county outside of the limits of incorporated cities and towns for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D of NRS is not required only if:

(1) The board of county commissioners is granted the authority to require such a license by some other provision of law; and

(2) The amount of the licensing tax does not exceed the amount imposed by the board of county commissioners on other similar businesses.

5. A board of county commissioners shall not enact or enforce any ordinance which is more restrictive than or conflicts with a law or regulation of this State relating to:

(a) The packaging, labeling, testing, dosage or potency of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

(c) The use of pesticides in the cultivation of marijuana;

(d) The tracking of marijuana from seed to sale;

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the county of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(f) The issuance or verification of a registry identification card, letter of approval or written documentation;

(g) The training or certification of medical marijuana establishment agents or employees of a marijuana establishment; or

(h) The creation or maintenance of a registry or other system to obtain and track information relating to customers of marijuana establishments or holders of a registry identification card or letter of approval.

6. A person who obtains a business license described in this section is subject to all other licensing and permitting requirements of the State and any other counties and cities in which the person does business.

7. As used in this section:

(a) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(b) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.

(c) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(d) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(f) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

(g) "Medical marijuana establishment agent" has the meaning ascribed to it in NRS 453A.117.

(h) "Registry identification card" has the meaning ascribed to it in NRS 453A.140.

(i) "Written documentation" has the meaning ascribed to it in NRS 453A.170.

~~Sec. 16. [1. A board of county commissioners may expend money received pursuant to paragraph (c) of subsection 6 of NRS 372A.290 only for the following purposes:~~

~~— (a) To increase access to or provide treatment relating to mental health;~~

~~— (b) To increase access to or provide treatment relating to substance abuse;~~

~~— (c) To establish or support one or more specialty courts;~~

~~— (d) To establish or support programs that provide positive alternatives for youth; or~~

~~— (e) For law enforcement purposes, including, without limitation, enforcement of laws prohibiting driving under the influence of alcohol or a prohibited substance or the underage use of alcohol or a prohibited substance and suppression of the use or sale of prohibited substances.~~

~~2. A board of county commissioners shall not expend or grant more than 30 percent of the money received by the county pursuant to paragraph (c) of subsection 6 of NRS 372A.290 in any year for law enforcement purposes as set forth in subsection 1.~~

~~3. Except as otherwise provided in subsection 2, a board of county commissioners may grant all or part of the money received by the county pursuant to paragraph (c) of subsection 6 of NRS 372A.290 to a nonprofit organization to be expended for one or more of the purposes identified in paragraphs (a) to (e), inclusive, of subsection 1.] (Deleted by amendment.)~~

~~Sec. 17. [1. Each board of county commissioners shall provide by ordinance for the creation of an advisory committee on mental health and substance abuse issues.~~



~~2. Each board of county commissioners shall, when determining the members of the advisory committee, ensure that each member has the necessary knowledge or experience to analyze the needs of the residents of the county regarding mental health and substance abuse.~~

~~3. The advisory committee shall:~~

~~(a) Analyze the needs of the residents of the county regarding mental health and substance abuse;~~

~~(b) Make recommendations regarding the expenditure of money pursuant to section 16 of this act by the county and section 18 of this act for each incorporated city in the county; and~~

~~(c) Make recommendations for the coordination of programs and expenditures by the county and each incorporated city in the county on issues relating to substance abuse and mental health to ensure the most efficient expenditure of money pursuant to sections 16 and 18 of this act.] (Deleted by amendment.)~~

Sec. 17.5. NRS 244.335 is hereby amended to read as follows:

244.335 1. Except as otherwise provided in subsections 2, 3 and 4, and NRS 244.33501, and section 15 of this act, a board of county commissioners may:

(a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive, 598D.150 and 640C.100, regulate all character of lawful trades, callings, industries, occupations, professions and business conducted in its county outside of the limits of incorporated cities and towns.

(b) Except as otherwise provided in NRS 244.3359 and 576.128, fix, impose and collect a license tax for revenue or for regulation, or for both revenue and regulation, on such trades, callings, industries, occupations, professions and business.

2. The county license boards have the exclusive power in their respective counties to regulate entertainers employed by an entertainment by referral service and the business of conducting a dancing hall, escort service, entertainment by referral service or gambling game or device permitted by law, outside of an incorporated city. The county license boards may fix, impose and collect license taxes for revenue or for regulation, or for both revenue and regulation, on such employment and businesses.

3. A board of county commissioners shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

4. The board of county commissioners or county license board shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060 or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

5. The county license board shall provide upon request an application for a state business registration pursuant to chapter 76 of NRS. No license to engage in any type of business may be granted unless the applicant for the license:

(a) Signs an affidavit affirming that the business has complied with the provisions of chapter 76 of NRS; or

(b) Provides to the county license board the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the county may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of chapter 76 of NRS.

6. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license:

(a) Presents written evidence that:

(1) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(2) Another regulatory agency of the State has issued or will issue a license required for this activity; or

(b) Provides to the county license board the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the county may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of paragraph (a).

7. Any license tax levied for the purposes of NRS 244.3358 or 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien has the same priority as a lien for general taxes. The lien must be enforced:

(a) By recording in the office of the county recorder, within 6 months after the date on which the tax became delinquent or was otherwise determined to be due and owing, a notice of the tax lien containing the following:

(1) The amount of tax due and the appropriate year;

(2) The name of the record owner of the property;

(3) A description of the property sufficient for identification; and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against the property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien, and accompanied by appropriate notice to other lienholders.

8. The board of county commissioners may delegate the authority to enforce liens from taxes levied for the purposes of NRS 244A.597 to

244A.655, inclusive, to the county fair and recreation board. If the authority is so delegated, the board of county commissioners shall revoke or suspend the license of a business upon certification by the county fair and recreation board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 244.3357, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of such license taxes or as the result of any audit or examination of the books by any authorized employee of a county fair and recreation board of the county for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, officer or employee of the county fair and recreation board or the county imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the Department of Taxation or Secretary of State for the exchange of information concerning taxpayers.

Sec. 18. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

~~1. The governing body of a city may expend money received pursuant to paragraph (c) of subsection 6 of NRS 372A.290 only for the following purposes:~~

~~—(a) To establish or support programs that provide positive alternatives for youth; or~~

~~—(b) For law enforcement purposes, including, without limitation, enforcement of laws prohibiting driving under the influence of alcohol or a prohibited substance or the underage use of alcohol or a prohibited substance and suppression of the use or sale of prohibited substances.~~

~~2. The governing body of a city may grant all or part of the money received by the city pursuant to paragraph (c) of subsection 6 of NRS 372A.290 to a nonprofit organization to be expended for one or more purposes identified in paragraphs (a) and (b) of subsection 1. Except as otherwise provided in this section, the governing body of an incorporated city, whether organized under general law or special charter, shall not fix, impose or collect for revenues or for regulation, or both, a license tax on a marijuana establishment or medical marijuana establishment located within its corporate limits.~~

2. Except as otherwise provided in subsection 3, the governing body of an incorporated city, whether organized under general law or special charter, may fix, impose and collect for revenues or for regulation, or both, a license tax on a marijuana establishment or medical marijuana establishment located within its corporate limits as a:

(a) Flat fee;

(b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or

(c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.

3. The total amount of a license tax imposed on a marijuana establishment or medical marijuana establishment pursuant to subsection 2, regardless of whether the license tax is imposed in the form described in paragraph (a), (b) or (c) of subsection 2, must not exceed 3 percent of the gross revenue of the marijuana establishment or medical marijuana establishment, as applicable.

4. In addition to any amount of money collected as a license tax pursuant to subsection 2, the governing body of an incorporated city, whether organized under general law or special charter, may fix, impose and collect:

(a) Any fees required pursuant to chapter 278 of NRS;

(b) A one-time flat fee for an application for the issuance of a business license for a marijuana establishment or medical marijuana establishment located within its corporate limits in an amount that does not exceed any similar fee imposed on a business pursuant to this chapter and chapter 369 of NRS; and

(c) A licensing tax for a business activity engaged in by a marijuana establishment or medical marijuana establishment located within its corporate limits for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D of NRS is not required only if:

(1) The governing body is granted the authority to require such a license by some other provision of law; and

(2) The amount of the licensing tax does not exceed the amount imposed by the governing body on other similar businesses.

5. The governing body of an incorporated city, whether organized under general law or special charter, shall not enact or enforce any ordinance which is more restrictive than or conflicts with a law or regulation of this State relating to:

(a) The packaging, labeling, testing, dosage or potency of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

(c) The use of pesticides in the cultivation of marijuana;

(d) The tracking of marijuana from seed to sale;

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the city of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(f) The issuance or verification of a registry identification card, letter of approval or written documentation;

(g) The training or certification of medical marijuana establishment agents or employees of a marijuana establishment; or

(h) The creation or maintenance of a registry or other system to obtain and track information relating to customers of marijuana establishments or holders of a registry identification card or letter of approval.

6. A person who obtains a business license described in this section is subject to all other licensing and permitting requirements of the State and any other counties and cities in which the person does business.

7. As used in this section:

(a) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(b) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.

(c) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(d) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(f) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

(g) "Medical marijuana establishment agent" has the meaning ascribed to it in NRS 453A.117.

(h) "Registry identification card" has the meaning ascribed to it in NRS 453A.140.

(i) "Written documentation" has the meaning ascribed to it in NRS 453A.170.

Sec. 18.3. NRS 268.095 is hereby amended to read as follows:

268.095 1. Except as otherwise provided in subsection 4 and NRS 268.0951, and section 18 of this act, the city council or other governing body of each incorporated city in this State, whether organized under general law or special charter, may:

(a) Except as otherwise provided in subsection 2 and NRS 268.0968 and 576.128, fix, impose and collect for revenues or for regulation, or both, a license tax on all character of lawful trades, callings, industries, occupations, professions and businesses conducted within its corporate limits.

(b) Assign the proceeds of any one or more of such license taxes to the county within which the city is situated for the purpose or purposes of making the proceeds available to the county:

(1) As a pledge as additional security for the payment of any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(2) For redeeming any general obligation bonds issued pursuant to NRS 244A.597 to 244A.655, inclusive;

(3) For defraying the costs of collecting or otherwise administering any such license tax so assigned, of the county fair and recreation board and of officers, agents and employees hired thereby, and of incidentals incurred thereby;

(4) For operating and maintaining recreational facilities under the jurisdiction of the county fair and recreation board;

(5) For improving, extending and bettering recreational facilities authorized by NRS 244A.597 to 244A.655, inclusive; and

(6) For constructing, purchasing or otherwise acquiring such recreational facilities.

(c) Pledge the proceeds of any tax imposed on the revenues from the rental of transient lodging pursuant to this section for the payment of any general or special obligations issued by the city for a purpose authorized by the laws of this State.

(d) Use the proceeds of any tax imposed pursuant to this section on the revenues from the rental of transient lodging:

(1) To pay the principal, interest or any other indebtedness on any general or special obligations issued by the city pursuant to the laws of this State;

(2) For the expense of operating or maintaining, or both, any facilities of the city; and

(3) For any other purpose for which other money of the city may be used.

2. The city council or other governing body of an incorporated city shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.

3. The proceeds of any tax imposed pursuant to this section that are pledged for the repayment of general obligations may be treated as "pledged revenues" for the purposes of NRS 350.020.

4. The city council or other governing body of an incorporated city shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060 or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

5. The city licensing agency shall provide upon request an application for a state business registration pursuant to chapter 76 of NRS. No license to engage in any type of business may be granted unless the applicant for the license:

(a) Signs an affidavit affirming that the business has complied with the provisions of chapter 76 of NRS; or

(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good

standing with the State and has complied with the provisions of chapter 76 of NRS.

6. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license:

(a) Presents written evidence that:

(1) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(2) Another regulatory agency of the State has issued or will issue a license required for this activity; or

(b) Provides to the city licensing agency the business identification number of the applicant assigned by the Secretary of State pursuant to NRS 225.082 which the city may use to validate that the applicant is currently in good standing with the State and has complied with the provisions of paragraph (a).

7. Any license tax levied under the provisions of this section constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien has the same priority as a lien for general taxes. The lien must be enforced:

(a) By recording in the office of the county recorder, within 6 months following the date on which the tax became delinquent or was otherwise determined to be due and owing, a notice of the tax lien containing the following:

(1) The amount of tax due and the appropriate year;

(2) The name of the record owner of the property;

(3) A description of the property sufficient for identification; and

(4) A verification by the oath of any member of the board of county commissioners or the county fair and recreation board; and

(b) By an action for foreclosure against such property in the same manner as an action for foreclosure of any other lien, commenced within 2 years after the date of recording of the notice of the tax lien, and accompanied by appropriate notice to other lienholders.

8. The city council or other governing body of each incorporated city may delegate the power and authority to enforce such liens to the county fair and recreation board. If the authority is so delegated, the governing body shall revoke or suspend the license of a business upon certification by the board that the license tax has become delinquent, and shall not reinstate the license until the tax is paid. Except as otherwise provided in NRS 239.0115 and 268.0966, all information concerning license taxes levied by an ordinance authorized by this section or other information concerning the business affairs or operation of any licensee obtained as a result of the payment of those license taxes or as the result of any audit or examination of the books of the city by any authorized employee of a county fair and recreation board for any license tax levied for the purpose of NRS 244A.597 to 244A.655, inclusive, is confidential and must not be disclosed by any member, official or employee of the county fair and recreation board or the city imposing the license tax unless the disclosure is authorized by the affirmative action of a majority of the members of the

appropriate county fair and recreation board. Continuing disclosure may be so authorized under an agreement with the Department of Taxation or the Secretary of State for the exchange of information concerning taxpayers.

9. The powers conferred by this section are in addition and supplemental to, and not in substitution for, and the limitations imposed by this section do not affect the powers conferred by, any other law. No part of this section repeals or affects any other law or any part thereof, it being intended that this section provide a separate method of accomplishing its objectives, and not an exclusive one.

Sec. 18.5. Chapter 269 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, the town board or board of county commissioners in any unincorporated town shall not fix or collect a license tax on a marijuana establishment or medical marijuana establishment located within the town.

2. Except as otherwise provided in subsection 3, the town board or board of county commissioners in any unincorporated town may fix and collect a license tax on a marijuana establishment or medical marijuana establishment located within the town as a:

(a) Flat fee;

(b) Percentage of the gross revenue of the marijuana establishment or medical marijuana establishment; or

(c) Combination of a flat fee and a percentage of gross revenue of the marijuana establishment or medical marijuana establishment.

3. The total amount of a license tax imposed on a marijuana establishment or medical marijuana establishment pursuant to subsection 2, regardless of whether the license tax is imposed in the form described in paragraph (a), (b) or (c) of subsection 2, must not exceed 3 percent of the gross revenue of the marijuana establishment or medical marijuana establishment, as applicable.

4. In addition to any amount of money collected as a license tax pursuant to subsection 2, the town board or board of county commissioners in any unincorporated town may fix and collect:

(a) Any fees required pursuant to chapter 278 of NRS;

(b) A one-time flat fee for an application for the issuance of a business license for a marijuana establishment or medical marijuana establishment located within the town in an amount that does not exceed any similar fee imposed on a business pursuant to this chapter and chapter 369 of NRS; and

(c) A licensing tax for a business activity engaged in by a marijuana establishment or medical marijuana establishment located within the town for which registration pursuant to chapter 453A of NRS or licensing pursuant to chapter 453D of NRS is not required only if:

(1) The town board or board of county commissioners is granted the authority to require such a license by some other provision of law; and



(2) The amount of the licensing tax does not exceed the amount imposed by the town board or board of county commissioners on other similar businesses.

5. The town board or board of county commissioners in any unincorporated town shall not enact or enforce any ordinance which is more restrictive than or conflicts with a law or regulation of this State relating to:

(a) The packaging, labeling, testing, dosage or potency of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(b) The kinds of edible marijuana products, marijuana products and marijuana-infused products authorized to be sold pursuant to chapters 453A and 453D of NRS and any regulations adopted pursuant to chapter 453A of NRS;

(c) The use of pesticides in the cultivation of marijuana;

(d) The tracking of marijuana from seed to sale;

(e) The transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products other than the direct transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products to a consumer and a requirement to notify the town of any transportation of marijuana, edible marijuana products, marijuana products or marijuana-infused products;

(f) The issuance or verification of a registry identification card, letter of approval or written documentation;

(g) The training or certification of medical marijuana establishment agents or employees of a marijuana establishment; or

(h) The creation or maintenance of a registry or other system to obtain and track information relating to customers of marijuana establishments or holders of a registry identification card or letter of approval.

6. A person who obtains a business license described in this section is subject to all other licensing and permitting requirements of the State and any other counties and cities in which the person does business.

7. As used in this section:

(a) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(b) "Letter of approval" has the meaning ascribed to it in NRS 453A.109.

(c) "Marijuana establishment" has the meaning ascribed to it in NRS 453D.030.

(d) "Marijuana products" has the meaning ascribed to it in NRS 453D.030.

(e) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(f) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

(g) "Medical marijuana establishment agent" has the meaning ascribed to it in NRS 453A.117.

(h) "Registry identification card" has the meaning ascribed to it in NRS 453A.140.

(i) "Written documentation" has the meaning ascribed to it in NRS 453A.170.

Sec. 18.7. NRS 269.170 is hereby amended to read as follows:

269.170 1. Except as otherwise provided in subsection 5 and NRS 576.128, 598D.150 and 640C.100, and section 18.5 of this act, the town board or board of county commissioners may, in any unincorporated town:

(a) Fix and collect a license tax on, and regulate, having due regard to the amount of business done by each person so licensed, and all places of business and amusement so licensed, as follows:

(1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers, barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or glue, markets, newspaper publishers, pawnbrokers, funeral directors and wood and coal dealers.

(2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and tailors.

(3) Boardinghouses, hotels, lodging houses, restaurants and refreshment saloons.

(4) Barrooms, gaming, manufacturers of liquors and other beverages, and saloons.

(5) Billiard tables, bowling alleys, caravans, circuses, concerts and other exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks and theaters.

(6) Corrals, hay yards, livery and sale stables and wagon yards.

(7) Electric light companies, illuminating gas companies, power companies, telegraph companies, telephone companies and water companies.

(8) Carts, drays, express companies, freight companies, job wagons, omnibuses and stages.

(9) Brokers, commission merchants, factors, general agents, mercantile agents, merchants, traders and stockbrokers.

(10) Drummers, hawkers, peddlers and solicitors.

(11) Insurance agents, brokers, analysts, adjusters and managing general agents within the limitations and under the conditions prescribed in NRS 680B.020.

(b) Fix and collect a license tax upon all professions, trades or business within the town not specified in paragraph (a).

2. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the State has issued or will issue a license required for this activity.

3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien must be enforced in the same manner as liens for ad valorem taxes on real and personal property. The town board or other governing body of the unincorporated town may delegate the power to enforce such liens to the county fair and recreation board.

4. The governing body or the county fair and recreation board may agree with the Department of Taxation for the continuing exchange of information concerning taxpayers.

5. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

Sec. 19. ~~Chapter 458 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Increased Access to Mental Health and Substance Abuse Treatment Account is hereby created in the State General Fund.~~

~~2. Money in the Account must be used to increase access to treatment for conditions relating to mental health or substance abuse.~~

~~3. Any interest or income earned on the money in the Account must be credited to the Account.~~

~~4. All claims against the Account must be approved by the Administrator before they are paid.~~ (Deleted by amendment.)

Sec. 20. Chapter 453A of NRS is hereby amended by adding thereto a new section to read as follows:

"Department" means the Department of Taxation.

Sec. 21. NRS 453A.010 is hereby amended to read as follows:

453A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 453A.020 to 453A.170, inclusive, and section 20 of this act have the meanings ascribed to them in those sections.

Sec. 22. NRS 453A.056 is hereby amended to read as follows:

453A.056 "Cultivation facility" means a business that:

1. Is registered with the ~~(Division)~~ Department pursuant to NRS 453A.322; and

2. Acquires, possesses, cultivates, delivers, transfers, transports, supplies or sells marijuana and related supplies to:

(a) Medical marijuana dispensaries;

(b) Facilities for the production of edible marijuana products or marijuana-infused products; or

(c) Other cultivation facilities.

*Sec. 23.* NRS 453A.102 is hereby amended to read as follows:

453A.102 "Electronic verification system" means an electronic database that:

1. Keeps track of data in real time; and
2. Is accessible by the Division *and the Department* and by registered medical marijuana establishments.

*Sec. 24.* NRS 453A.105 is hereby amended to read as follows:

453A.105 "Facility for the production of edible marijuana products or marijuana-infused products" means a business that:

1. Is registered with the ~~(Division)~~ *Department* pursuant to NRS 453A.322; and
2. Acquires, possesses, manufactures, delivers, transfers, transports, supplies or sells edible marijuana products or marijuana-infused products to medical marijuana dispensaries.

*Sec. 25.* NRS 453A.115 is hereby amended to read as follows:

453A.115 "Medical marijuana dispensary" means a business that:

1. Is registered with the ~~(Division)~~ *Department* pursuant to NRS 453A.322; and
2. Acquires, possesses, delivers, transfers, transports, supplies, sells or dispenses marijuana or related supplies and educational materials to the holder of a valid registry identification card.

*Sec. 26.* NRS 453A.118 is hereby amended to read as follows:

453A.118 "Medical marijuana establishment agent registration card" means a registration card that is issued by the ~~(Division)~~ *Department* pursuant to NRS 453A.332 to authorize a person to volunteer or work at a medical marijuana establishment.

*Sec. 27.* NRS 453A.119 is hereby amended to read as follows:

453A.119 "Medical marijuana establishment registration certificate" means a registration certificate that is issued by the ~~(Division)~~ *Department* pursuant to NRS 453A.322 to authorize the operation of a medical marijuana establishment.

*Sec. 28.* NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

(a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of a person's chronic or debilitating medical condition; and

(b) Do not, at any one time, collectively possess with another who is authorized to possess, deliver or produce more than:

(1) Two and one-half ounces of usable marijuana in any one 14-day period;

(2) Twelve marijuana plants, irrespective of whether the marijuana plants are mature or immature; and

(3) A maximum allowable quantity of edible marijuana products and marijuana-infused products as established by regulation of the Division.

↪ The persons described in this subsection must ensure that the usable marijuana and marijuana plants described in this subsection are safeguarded in an enclosed, secure location.

4. If the persons described in subsection 3 possess, deliver or produce marijuana in an amount which exceeds the amount described in paragraph (b) of that subsection, those persons:

(a) Are not exempt from state prosecution for possession, delivery or production of marijuana.

(b) May establish an affirmative defense to charges of possession, delivery or production of marijuana, or any combination of those acts, in the manner set forth in NRS 453A.310.

5. A person who holds a valid medical marijuana establishment registration certificate issued to the person pursuant to NRS 453A.322 or a valid medical marijuana establishment agent registration card issued to the person pursuant to NRS 453A.332, and who confines his or her activities to those authorized by NRS 453A.320 to 453A.370, inclusive, and the regulations adopted by the ~~Division~~ Department pursuant thereto, is exempt from state prosecution for:

(a) Possession, delivery or production of marijuana;

(b) Possession or delivery of paraphernalia;

(c) Aiding and abetting another in the possession, delivery or production of marijuana;

(d) Aiding and abetting another in the possession or delivery of paraphernalia;

(e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and

(f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card, including, without limitation, a designated primary caregiver, such a person is not authorized to cultivate, grow or produce marijuana. The provisions of this subsection do not apply if:

(a) The person who holds the registry identification card was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;

(b) All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

(c) Because of illness or lack of transportation, the person who holds the registry identification card is unable reasonably to travel to a medical marijuana dispensary; or

(d) No medical marijuana dispensary was operating within 25 miles of the residence of the person who holds the registry identification card at the time the person first applied for his or her registry identification card.

7. As used in this section, "marijuana" includes, without limitation, edible marijuana products and marijuana-infused products.

*Sec. 29. NRS 453A.322 is hereby amended to read as follows:*

453A.322 1. Each medical marijuana establishment must register with the ~~(Division)~~ Department.

2. A person who wishes to operate a medical marijuana establishment must submit to the ~~(Division)~~ Department an application on a form prescribed by the ~~(Division)~~ Department.

3. Except as otherwise provided in NRS 453A.324, 453A.326, 453A.328 and 453A.340, not later than 90 days after receiving an application to operate a medical marijuana establishment, the ~~(Division)~~ Department shall register the medical marijuana establishment and issue a medical marijuana establishment registration certificate and a random 20-digit alphanumeric identification number if:

(a) The person who wishes to operate the proposed medical marijuana establishment has submitted to the ~~(Division)~~ Department all of the following:

(1) The application fee, as set forth in NRS 453A.344;

(2) An application, which must include:

(I) The legal name of the proposed medical marijuana establishment;

(II) The physical address where the proposed medical marijuana establishment will be located and the physical address of any co-owned additional or otherwise associated medical marijuana establishments, the locations of which may not be within 1,000 feet of a public or private school that provides formal education traditionally associated with preschool or kindergarten through grade 12 and that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the ~~(Division)~~ Department, or within 300 feet of a community facility that existed on the date on which the application for the proposed medical marijuana establishment was submitted to the ~~(Division)~~ Department;

(III) Evidence that the applicant controls not less than \$250,000 in liquid assets to cover the initial expenses of opening the proposed medical marijuana establishment and complying with the provisions of NRS 453A.320 to 453A.370, inclusive;

(IV) Evidence that the applicant owns the property on which the proposed medical marijuana establishment will be located or has the written permission of the property owner to operate the proposed medical marijuana establishment on that property;

(V) For the applicant and each person who is proposed to be an owner, officer or board member of the proposed medical marijuana establishment, a complete set of the person's fingerprints and written permission of the person authorizing the ~~(Division)~~ Department 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;

(VI) The name, address and date of birth of each person who is proposed to be an owner, officer or board member of the proposed medical marijuana establishment; and

(VII) The name, address and date of birth of each person who is proposed to be employed by or otherwise provide labor at the proposed medical marijuana establishment as a medical marijuana establishment agent;

(3) Operating procedures consistent with rules of the ~~(Division)~~ Department for oversight of the proposed medical marijuana establishment, including, without limitation:

(I) Procedures to ensure the use of adequate security measures; and

(II) The use of an electronic verification system and an inventory control system, pursuant to NRS 453A.354 and 453A.356;

(4) If the proposed medical marijuana establishment will sell or deliver edible marijuana products or marijuana-infused products, proposed operating procedures for handling such products which must be preapproved by the ~~(Division)~~ Department;

(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical

marijuana establishment is in compliance with those restrictions and satisfies all applicable building requirements; and

(6) Such other information as the ~~{Division}~~ Department may require by regulation;

(b) None of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment have been convicted of an excluded felony offense;

(c) None of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment have:

(1) Served as an owner, officer or board member for a medical marijuana establishment that has had its medical marijuana establishment registration certificate revoked; or

(2) Previously had a medical marijuana establishment agent registration card revoked; and

(d) None of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment are under 21 years of age.

4. For each person who submits an application pursuant to this section, and each person who is proposed to be an owner, officer or board member of a proposed medical marijuana establishment, the ~~{Division}~~ Department shall submit the fingerprints of the person to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of that person.

5. Except as otherwise provided in subsection 6, if an application for registration as a medical marijuana establishment satisfies the requirements of this section and the establishment is not disqualified from being registered as a medical marijuana establishment pursuant to this section or other applicable law, the ~~{Division}~~ Department shall issue to the establishment a medical marijuana establishment registration certificate. A medical marijuana establishment registration certificate expires 1 year after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

(b) Payment of the renewal fee set forth in NRS 453A.344.

6. In determining whether to issue a medical marijuana establishment registration certificate pursuant to this section, the ~~{Division}~~ Department shall consider the criteria of merit set forth in NRS 453A.328.

7. As used in this section, "community facility" means:

(a) A facility that provides day care to children.

(b) A public park.

(c) A playground.

(d) A public swimming pool.

(e) A center or facility, the primary purpose of which is to provide recreational opportunities or services to children or adolescents.

(f) A church, synagogue or other building, structure or place used for religious worship or other religious purpose.



*Sec. 30. NRS 453A.324 is hereby amended to read as follows:*

453A.324 1. Except as otherwise provided in this section and NRS 453A.326, the ~~{Division}~~ Department shall issue medical marijuana establishment registration certificates for medical marijuana dispensaries in the following quantities for applicants who qualify pursuant to NRS 453A.322:

- (a) In a county whose population is 700,000 or more, 40 certificates;
- (b) In a county whose population is 100,000 or more but less than 700,000, ten certificates;
- (c) In a county whose population is 55,000 or more but less than 100,000, two certificates; ~~{and}~~
- (d) In each other county, one certificate ~~{+}~~; *and*
- (e) For each incorporated city in a county whose population is less than 100,000, one certificate.

2. Notwithstanding the provisions of subsection 1, the ~~{Division}~~ Department:

(a) Shall not issue medical marijuana establishment registration certificates for medical marijuana dispensaries in such a quantity as to cause the existence within the applicable county of more than one medical marijuana dispensary for every ten pharmacies that have been licensed in the county pursuant to chapter 639 of NRS. The ~~{Division}~~ Department may issue medical marijuana establishment registration certificates for medical marijuana dispensaries in excess of the ratio otherwise allowed pursuant to this paragraph if to do so is necessary to ensure that the ~~{Division}~~ Department issues at least one medical marijuana establishment registration certificate in each county of this State and, pursuant to paragraph (e) of subsection 1, each incorporated city of this State in which the ~~{Division}~~ Department has approved an application for such an establishment to operate.

(b) Shall, for any county for which no applicants qualify pursuant to NRS 453A.322, within 2 months after the end of the period during which the ~~{Division}~~ Department accepts applications pursuant to subsection ~~{4,}~~ 5, reallocate the certificates provided for that county pursuant to subsection 1 to the other counties specified in subsection 1 in the same proportion as provided in subsection 1.

3. The Department:

(a) Shall not accept an application for the issuance of a medical marijuana establishment registration certificate pursuant to paragraph (e) of subsection 1 unless the application is accompanied by a letter from the incorporated city in which the proposed medical marijuana dispensary will be located endorsing the issuance of the medical marijuana establishment registration certificate;

(b) May accept such an application at any time if no medical marijuana establishment registration certificate has been issued to a medical marijuana dispensary located in the incorporated city pursuant to paragraph (e) of subsection 1; and

(c) May accept such an application on or before December 31, 2018, only from an applicant who holds a medical marijuana establishment registration certificate.

4. With respect to medical marijuana establishments that are not medical marijuana dispensaries, the ~~Division~~ Department shall ~~determine~~ :

(a) Issue a medical marijuana establishment registration certificate to at least one cultivation facility and at least one facility for the production of edible marijuana products or marijuana-infused products in each county; and

(b) Determine the appropriate number of additional such establishments in each county as are necessary to serve and supply the medical marijuana dispensaries to which the ~~Division~~ Department has granted medical marijuana establishment registration certificates.

~~4. The Division~~ and issue such a number of medical marijuana establishment registration certificates for such establishments in each county.

5. Except as otherwise provided in subsection 3, the Department shall not, for more than a total of 10 business days in any 1 calendar year, accept applications to operate medical marijuana establishments.

Sec. 31. NRS 453A.326 is hereby amended to read as follows:

453A.326 1. Except as otherwise provided in this subsection, in a county whose population is 100,000 or more, the ~~Division~~ Department shall ensure that not more than 25 percent of the total number of medical marijuana dispensaries that may be certified in the county, as set forth in NRS 453A.324, are located in any one local governmental jurisdiction within the county. The board of county commissioners of the county may increase the percentage described in this subsection if it determines that to do so is necessary to ensure that the more populous areas of the county have access to sufficient distribution of marijuana for medical use.

2. To prevent monopolistic practices, the ~~Division~~ Department shall ensure, in a county whose population is 100,000 or more, that it does not issue, to any one person, group of persons or entity, the greater of:

(a) One medical marijuana establishment registration certificate; or

(b) More than 10 percent of the medical marijuana establishment registration certificates otherwise allocable in the county.

3. In a local governmental jurisdiction that issues business licenses, the issuance by the ~~Division~~ Department of a medical marijuana establishment registration certificate shall be deemed to be provisional until such time as:

(a) The establishment is in compliance with all applicable local governmental ordinances or rules; and

(b) The local government has issued a business license for the operation of the establishment.

4. As used in this section, "local governmental jurisdiction" means a city, town, township or unincorporated area within a county.

Sec. 32. NRS 453A.328 is hereby amended to read as follows:

453A.328 In determining whether to issue a medical marijuana establishment registration certificate pursuant to NRS 453A.322, the

~~[Division]~~ Department shall, in addition to the factors set forth in that section, consider the following criteria of merit:

1. The total financial resources of the applicant, both liquid and illiquid;
2. The previous experience of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment at operating other businesses or nonprofit organizations;
3. The educational achievements of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment;
4. Any demonstrated knowledge or expertise on the part of the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment with respect to the compassionate use of marijuana to treat medical conditions;
5. Whether the proposed location of the proposed medical marijuana establishment would be convenient to serve the needs of persons who are authorized to engage in the medical use of marijuana;
6. The likely impact of the proposed medical marijuana establishment on the community in which it is proposed to be located;
7. The adequacy of the size of the proposed medical marijuana establishment to serve the needs of persons who are authorized to engage in the medical use of marijuana;
8. Whether the applicant has an integrated plan for the care, quality and safekeeping of medical marijuana from seed to sale;
9. The amount of taxes paid to, or other beneficial financial contributions made to, the State of Nevada or its political subdivisions by the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment; and
10. Any other criteria of merit that the ~~[Division]~~ Department determines to be relevant.

*Sec. 33. NRS 453A.332 is hereby amended to read as follows:*

453A.332 1. Except as otherwise provided in this section, a person shall not volunteer or work at, contract to provide labor to or be employed by an independent contractor to provide labor to a medical marijuana establishment as a medical marijuana establishment agent unless the person is registered with the ~~[Division]~~ Department pursuant to this section.

2. A medical marijuana establishment that wishes to retain as a volunteer or employ a medical marijuana establishment agent shall submit to the ~~[Division]~~ Department an application on a form prescribed by the ~~[Division]~~ Department. The application must be accompanied by:

- (a) The name, address and date of birth of the prospective medical marijuana establishment agent;
- (b) A statement signed by the prospective medical marijuana establishment agent pledging not to dispense or otherwise divert marijuana to any person who is not authorized to possess marijuana in accordance with the provisions of this chapter;

(c) A statement signed by the prospective medical marijuana establishment agent asserting that he or she has not previously had a medical marijuana establishment agent registration card revoked;

(d) A complete set of the fingerprints and written permission of the prospective medical marijuana establishment agent authorizing the ~~{Division}~~ Department 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;

(e) The application fee, as set forth in NRS 453A.344; and

(f) Such other information as the ~~{Division}~~ Department may require by regulation.

3. A medical marijuana establishment that wishes to contract with an independent contractor to provide labor as a medical marijuana establishment agent shall submit to the ~~{Division}~~ Department an application on a form prescribed by the ~~{Division}~~ Department for the registration of the independent contractor and each employee of the independent contractor who will provide labor as a medical marijuana establishment agent. The application must be accompanied by:

(a) The name, address and, if the prospective medical marijuana establishment agent has a state business registration, the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS;

(b) The name, address and date of birth of each employee of the prospective medical marijuana establishment agent who will provide labor as a medical marijuana establishment agent;

(c) A statement signed by the prospective medical marijuana establishment agent pledging not to dispense or otherwise divert marijuana to, or allow any of its employees to dispense or otherwise divert marijuana to, any person who is not authorized to possess marijuana in accordance with the provisions of this chapter;

(d) A statement signed by the prospective medical marijuana establishment agent asserting that it has not previously had a medical marijuana establishment agent registration card revoked and that none of its employees who will provide labor as a medical marijuana establishment agent have previously had a medical marijuana establishment agent registration card revoked;

(e) A complete set of the fingerprints of each employee of the prospective medical marijuana establishment agent who will provide labor as a medical marijuana establishment agent and written permission of the prospective medical marijuana establishment agent and each employee of the prospective medical marijuana establishment agent authorizing the ~~{Division}~~ Department 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;

(f) The application fee, as set forth in NRS 453A.344; and

(g) Such other information as the ~~{Division}~~ Department may require by regulation.

4. A medical marijuana establishment shall notify the ~~{Division}~~ Department within 10 days after a medical marijuana establishment agent ceases to be employed by, volunteer at or provide labor as a medical marijuana establishment agent to the medical marijuana establishment.

5. A person who:

(a) Has been convicted of an excluded felony offense; or

(b) Is less than 21 years of age,

↪ shall not serve as a medical marijuana establishment agent.

6. The ~~{Division}~~ Department shall submit the fingerprints of an applicant for registration as a medical marijuana establishment agent to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation to determine the criminal history of the applicant.

7. The provisions of this section do not require a person who is an owner, officer or board member of a medical marijuana establishment to resubmit information already furnished to the ~~{Division}~~ Department at the time the establishment was registered with the ~~{Division}~~ Department.

8. If an applicant for registration as a medical marijuana establishment agent satisfies the requirements of this section and is not disqualified from serving as such an agent pursuant to this section or any other applicable law, the ~~{Division}~~ Department shall issue to the person and, for an independent contractor, to each person identified in the independent contractor's application for registration as an employee who will provide labor as a medical marijuana establishment agent, a medical marijuana establishment agent registration card. If the ~~{Division}~~ Department does not act upon an application for a medical marijuana establishment agent registration card within 30 days after the date on which the application is received, the application shall be deemed conditionally approved until such time as the ~~{Division}~~ Department acts upon the application. A medical marijuana establishment agent registration card expires 1 year after the date of issuance and may be renewed upon:

(a) Resubmission of the information set forth in this section; and

(b) Payment of the renewal fee set forth in NRS 453A.344.

Sec. 34. NRS 453A.334 is hereby amended to read as follows:

453A.334 1. Except as otherwise provided in subsection 2, the following are nontransferable:

(a) A medical marijuana establishment agent registration card.

(b) A medical marijuana establishment registration certificate.

2. A medical marijuana establishment may transfer all or any portion of its ownership to another party, and the ~~{Division}~~ Department shall transfer the medical marijuana establishment registration certificate issued to the establishment to the party acquiring ownership, if the party who will acquire the ownership of the medical marijuana establishment submits:

(a) Evidence satisfactory to the ~~{Division}~~ Department that the party has complied with the provisions of sub-subparagraph (III) of subparagraph (2) of paragraph (a) of subsection 3 of NRS 453A.322 for the purpose of operating the medical marijuana establishment.

(b) For the party and each person who is proposed to be an owner, officer or board member of the proposed medical marijuana establishment, the name, address and date of birth of the person, a complete set of the person's fingerprints and written permission of the person authorizing the ~~{Division}~~ Department 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.

(c) Proof satisfactory to the ~~{Division}~~ Department that, as a result of the transfer of ownership, no person, group of persons or entity will, in a county whose population is 100,000 or more, hold more than one medical marijuana establishment registration certificate or more than 10 percent of the medical marijuana establishment registration certificates allocated to the county, whichever is greater.

*Sec. 35. NRS 453A.336 is hereby amended to read as follows:*

453A.336 1. In addition to any other requirements set forth in this chapter, an applicant for the issuance or renewal of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate shall:

(a) Include the social security number of the applicant in the application submitted to the ~~{Division}~~ Department.

(b) Submit to the ~~{Division}~~ Department the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The ~~{Division}~~ Department shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the medical marijuana establishment agent registration card or medical marijuana establishment registration certificate; or

(b) A separate form prescribed by the ~~{Division}~~ Department.

3. A medical marijuana establishment agent registration card or medical marijuana establishment registration certificate may not be issued or renewed by the ~~{Division}~~ Department if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a

child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the ~~{Division}~~ Department shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

*Sec. 36. NRS 453A.338 is hereby amended to read as follows:*

453A.338 1. If the ~~{Division}~~ Department receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate, the ~~{Division}~~ Department shall deem the card or certificate issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the ~~{Division}~~ Department receives a letter issued to the holder of the card or certificate by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the card or certificate has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The ~~{Division}~~ Department shall reinstate a medical marijuana establishment agent registration card or medical marijuana establishment registration certificate that has been suspended by a district court pursuant to NRS 425.540 if the ~~{Division}~~ Department receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose card or certificate was suspended stating that the person whose card or certificate was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

*Sec. 37. NRS 453A.340 is hereby amended to read as follows:*

453A.340 The following acts constitute grounds for immediate revocation of a medical marijuana establishment registration certificate:

1. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.

2. Acquiring usable marijuana or mature marijuana plants from any person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.

3. Violating a regulation of the ~~{Division}~~ Department, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment registration certificate.

4. Failure to pay a fee imposed pursuant to NRS 453A.330.

*Sec. 38. NRS 453A.342 is hereby amended to read as follows:*

453A.342 The following acts constitute grounds for the immediate revocation of the medical marijuana establishment agent registration card of a medical marijuana establishment agent:

1. Having committed or committing any excluded felony offense.
2. Dispensing, delivering or otherwise transferring marijuana to a person other than a medical marijuana establishment agent, another medical marijuana establishment or a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver.
3. Violating a regulation of the ~~(Division)~~ Department, the violation of which is stated to be grounds for immediate revocation of a medical marijuana establishment agent registration card.

*Sec. 39. NRS 453A.344 is hereby amended to read as follows:*

453A.344 1. Except as otherwise provided in subsection 2, the ~~(Division)~~ Department shall collect not more than the following maximum fees:

For the initial issuance of a medical marijuana establishment registration certificate for a medical marijuana dispensary .....	\$30,000
For the renewal of a medical marijuana establishment registration certificate for a medical marijuana dispensary .....	5,000
For the initial issuance of a medical marijuana establishment registration certificate for a cultivation facility .....	3,000
For the renewal of a medical marijuana establishment registration certificate for a cultivation facility .....	1,000
For the initial issuance of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products .....	3,000
For the renewal of a medical marijuana establishment registration certificate for a facility for the production of edible marijuana products or marijuana-infused products .....	1,000
For each person identified in an application for the initial issuance of a medical marijuana establishment agent registration card .....	75
For each person identified in an application for the renewal of a medical marijuana establishment agent registration card .....	75
For the initial issuance of a medical marijuana establishment registration certificate for an independent testing laboratory .....	5,000



For the renewal of a medical marijuana establishment  
 registration certificate for an independent testing  
 laboratory..... \$3,000

2. In addition to the fees described in subsection 1, each applicant for a medical marijuana establishment registration certificate must pay to the ~~Division~~ Department:

(a) A one-time, nonrefundable application fee of \$5,000; and  
 (b) The actual costs incurred by the ~~Division~~ Department in processing the application, including, without limitation, conducting background checks.

3. Any revenue generated from the fees imposed pursuant to this section:

(a) Must be expended first to pay the costs of the ~~Division~~ Department in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive; and

(b) If any excess revenue remains after paying the costs described in paragraph (a), such excess revenue must be paid over to the State Treasurer to be deposited to the credit of the State Distributive School Account in the State General Fund.

*Sec. 40. NRS 453A.352 is hereby amended to read as follows:*

453A.352 1. The operating documents of a medical marijuana establishment must include procedures:

(a) For the oversight of the medical marijuana establishment; and  
 (b) To ensure accurate recordkeeping, including, without limitation, the provisions of NRS 453A.354 and 453A.356.

2. Except as otherwise provided in this subsection, a medical marijuana establishment:

(a) That is a medical marijuana dispensary must have a single entrance for patrons, which must be secure, and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

(b) That is not a medical marijuana dispensary must have a single secure entrance and shall implement strict security measures to deter and prevent the theft of marijuana and unauthorized entrance into areas containing marijuana.

➡ The provisions of this subsection do not supersede any state or local requirements relating to minimum numbers of points of entry or exit, or any state or local requirements relating to fire safety.

3. A medical marijuana establishment is prohibited from acquiring, possessing, cultivating, manufacturing, delivering, transferring, transporting, supplying or dispensing marijuana for any purpose except to:

(a) Directly or indirectly assist patients who possess valid registry identification cards; and

(b) Assist patients who possess valid registry identification cards or letters of approval by way of those patients' designated primary caregivers.

➡ For the purposes of this subsection, a person shall be deemed to be a patient who possesses a valid registry identification card or letter of approval if he or she qualifies for nonresident reciprocity pursuant to NRS 453A.364.

4. All cultivation or production of marijuana that a cultivation facility carries out or causes to be carried out must take place in an enclosed, locked facility at the physical address provided to the ~~[Division]~~ Department during the registration process for the cultivation facility. Such an enclosed, locked facility must be accessible only by medical marijuana establishment agents who are lawfully associated with the cultivation facility, except that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a medical marijuana establishment agent.

5. A medical marijuana dispensary and a cultivation facility may acquire usable marijuana or marijuana plants from a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver. Except as otherwise provided in this subsection, the patient or caregiver, as applicable, must receive no compensation for the marijuana. A patient who holds a valid registry identification card, and the designated primary caregiver of such a patient, or the designated primary caregiver of a person who holds a letter of approval may sell usable marijuana to a medical marijuana dispensary one time and may sell marijuana plants to a cultivation facility one time.

6. A medical marijuana establishment shall not allow any person to consume marijuana on the property or premises of the establishment.

7. Medical marijuana establishments are subject to reasonable inspection by the ~~[Division]~~ Department at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the ~~[Division]~~ Department of the establishment.

*Sec. 41. NRS 453A.354 is hereby amended to read as follows:*

453A.354 1. Each medical marijuana establishment, in consultation with the ~~[Division]~~ Department, shall maintain an electronic verification system.

2. The electronic verification system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) In the case of a medical marijuana dispensary, for each person who holds a valid registry identification card and who purchased marijuana from the dispensary in the immediately preceding 60-day period:

- (1) The number of the card;
- (2) The date on which the card was issued; and
- (3) The date on which the card will expire.

(b) For each medical marijuana establishment agent who is employed by or volunteers at the medical marijuana establishment, the number of the person's medical marijuana establishment agent registration card.

(c) In the case of a medical marijuana dispensary, such information as may be required by the ~~[Division]~~ Department by regulation regarding persons who are not residents of this State and who have purchased marijuana from the dispensary.

(d) Verification of the identity of a person to whom marijuana, edible marijuana products or marijuana-infused products are sold or otherwise distributed.

(e) Such other information as the ~~(Division)~~ Department may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an electronic verification system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an electronic verification system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

*Sec. 42. NRS 453A.356 is hereby amended to read as follows:*

453A.356 1. Each medical marijuana establishment, in consultation with the ~~(Division)~~ Department, shall maintain an inventory control system.

2. The inventory control system required pursuant to subsection 1 must be able to monitor and report information, including, without limitation:

(a) Insofar as is practicable, the chain of custody and current whereabouts, in real time, of medical marijuana from the point that it is harvested at a cultivation facility until it is sold at a medical marijuana dispensary and, if applicable, if it is processed at a facility for the production of edible marijuana products or marijuana-infused products;

(b) The name of each person or other medical marijuana establishment, or both, to which the establishment sold marijuana;

(c) In the case of a medical marijuana dispensary, the date on which it sold marijuana to a person who holds a registry identification card and, if any, the quantity of edible marijuana products or marijuana-infused products sold, measured both by weight and potency; and

(d) Such other information as the ~~(Division)~~ Department may require.

3. Nothing in this section prohibits more than one medical marijuana establishment from co-owning an inventory control system in cooperation with other medical marijuana establishments, or sharing the information obtained therefrom.

4. A medical marijuana establishment must exercise reasonable care to ensure that the personal identifying information of persons who hold registry identification cards which is contained in an inventory control system is encrypted, protected and not divulged for any purpose not specifically authorized by law.

*Sec. 43. NRS 453A.360 is hereby amended to read as follows:*

453A.360 Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the ~~(Division)~~ Department, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

1. Are labeled clearly and unambiguously as medical marijuana.

2. Are not presented in packaging that is appealing to children.
3. Are regulated and sold on the basis of the concentration of THC in the products and not by weight.
4. Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

*Sec. 44. NRS 453A.364 is hereby amended to read as follows:*

453A.364 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the ~~(Division)~~ Department which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and

(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. For the purposes of the reciprocity described in this section:

(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and

(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.

3. As used in this section, "nonresident card" means a card or other identification that:

(a) Is issued by a state or jurisdiction other than Nevada; and

(b) Is the functional equivalent of a registry identification card or letter of approval, as determined by the ~~(Division)~~ Department.

*Sec. 45. NRS 453A.366 is hereby amended to read as follows:*

453A.366 1. A patient who holds a valid registry identification card or letter of approval and his or her designated primary caregiver, if any, may select one medical marijuana dispensary to serve as his or her designated medical marijuana dispensary at any one time.

2. A patient who designates a medical marijuana dispensary as described in subsection 1:

(a) Shall communicate the designation to the Division *and the Department* within the time specified by the ~~{Division}~~ *Department*.

(b) May change his or her designation not more than once in a 30-day period.

*Sec. 46. NRS 453A.368 is hereby amended to read as follows:*

453A.368 1. The ~~{Division}~~ *Department* shall establish standards for and certify one or more private and independent testing laboratories to test marijuana, edible marijuana products and marijuana-infused products that are to be sold in this State.

2. Such an independent testing laboratory must be able to determine accurately, with respect to marijuana, edible marijuana products and marijuana-infused products that are sold or will be sold at medical marijuana dispensaries in this State:

(a) The concentration therein of THC and cannabidiol.

(b) The presence and identification of molds and fungus.

(c) The composition of the tested material.

(d) The presence of chemicals in the tested material, including, without limitation, pesticides, herbicides or growth regulators.

3. To obtain certification by the ~~{Division}~~ *Department* on behalf of an independent testing laboratory, an applicant must:

(a) Apply successfully as required pursuant to NRS 453A.322.

(b) Pay the fees required pursuant to NRS 453A.344.

*Sec. 47. NRS 453A.369 is hereby amended to read as follows:*

453A.369 The ~~{Division}~~ *Department* may enter into an interlocal agreement pursuant to NRS 277.080 to 277.180, inclusive, to carry out the provisions of NRS 453A.320 to 453A.370, inclusive.

*Sec. 48. NRS 453A.370 is hereby amended to read as follows:*

453A.370 The ~~{Division}~~ *Department* shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 453A.320 to 453A.370, inclusive. Such regulations are in addition to any requirements set forth in statute and must, without limitation:

1. Prescribe the form and any additional required content of registration and renewal applications submitted pursuant to NRS 453A.322 and 453A.332.

2. Set forth rules pertaining to the safe and healthful operation of medical marijuana establishments, including, without limitation:

(a) The manner of protecting against diversion and theft without imposing an undue burden on medical marijuana establishments or compromising the confidentiality of the holders of registry identification cards and letters of approval.

(b) Minimum requirements for the oversight of medical marijuana establishments.

(c) Minimum requirements for the keeping of records by medical marijuana establishments.

(d) Provisions for the security of medical marijuana establishments, including, without limitation, requirements for the protection by a fully operational security alarm system of each medical marijuana establishment.

(e) Procedures pursuant to which medical marijuana dispensaries must use the services of an independent testing laboratory to ensure that any marijuana, edible marijuana products and marijuana-infused products sold by the dispensaries to end users are tested for content, quality and potency in accordance with standards established by the ~~(Division)~~ Department.

(f) Procedures pursuant to which a medical marijuana dispensary will be notified by the ~~(Division)~~ Department if a patient who holds a valid registry identification card or letter of approval has chosen the dispensary as his or her designated medical marijuana dispensary, as described in NRS 453A.366.

3. Establish circumstances and procedures pursuant to which the maximum fees set forth in NRS 453A.344 may be reduced over time ~~to~~

~~—(a) To~~ to ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral. ~~to~~ and

~~—(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.~~

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, including, without limitation, a designated primary caregiver, in any one 14-day period. Such an amount must not exceed the limits set forth in NRS 453A.200.

5. As far as possible while maintaining accountability, protect the identity and personal identifying information of each person who receives, facilitates or delivers services in accordance with this chapter.

6. In cooperation with the Board of Medical Examiners and the State Board of Osteopathic Medicine, establish a system to:

(a) Register and track attending physicians who advise their patients that the medical use of marijuana may mitigate the symptoms or effects of the patient's medical condition;

(b) Insofar as is possible, track and quantify the number of times an attending physician described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending physicians who advise the medical use of marijuana at a rate at which the Department, in consultation with the ~~Division~~ and Board determine and agree to be unreasonably high.

7. Establish different categories of medical marijuana establishment agent registration cards, including, without limitation, criteria for training and certification, for each of the different types of medical marijuana establishments at which such an agent may be employed or volunteer or provide labor as a medical marijuana establishment agent.

8. Provide for the maintenance of a log by the Department, in consultation with the ~~Division~~ of each person who is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200. The ~~(Division)~~

Department shall ensure that the contents of the log are available for verification by law enforcement personnel 24 hours a day.

9. Address such other matters as may assist in implementing the program of dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

*Sec. 49. NRS 453A.400 is hereby amended to read as follows:*

453A.400 1. The fact that a person possesses a registry identification card or letter of approval issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250, a medical marijuana establishment registration certificate issued to the person by the ~~(Division)~~ Department or its designee pursuant to NRS 453A.322 or a medical marijuana establishment agent registration card issued to the person by the ~~(Division)~~ Department or its designee pursuant to NRS 453A.332 does not, alone:

(a) Constitute probable cause to search the person or the person's property; or

(b) Subject the person or the person's property to inspection by any governmental agency.

2. Except as otherwise provided in this subsection, if officers of a state or local law enforcement agency seize marijuana, paraphernalia or other related property from a person engaged in, facilitating or assisting in the medical use of marijuana:

(a) The law enforcement agency shall ensure that the marijuana, paraphernalia or other related property is not destroyed while in the possession of the law enforcement agency.

(b) Any property interest of the person from whom the marijuana, paraphernalia or other related property was seized must not be forfeited pursuant to any provision of law providing for the forfeiture of property, except as part of a sentence imposed after conviction of a criminal offense.

(c) Upon:

(1) A decision not to prosecute;

(2) The dismissal of charges; or

(3) Acquittal,

➔ the law enforcement agency shall, to the extent permitted by law, return to that person any usable marijuana, marijuana plants, paraphernalia or other related property that was seized. The provisions of this subsection do not require a law enforcement agency to care for live marijuana plants.

*Sec. 50. NRS 453A.700 is hereby amended to read as follows:*

453A.700 1. Except as otherwise provided in this section, NRS 239.0115 and subsection 4 of NRS 453A.210, the Division and the Department shall not disclose:

(a) The contents of any tool used by the ~~(Division)~~ Department to evaluate an applicant or its affiliate.

(b) Any information, documents or communications provided to the ~~(Division)~~ Department by an applicant or its affiliate pursuant to the provisions of this chapter, without the prior written consent of the applicant or affiliate or

pursuant to a lawful court order after timely notice of the proceedings has been given to the applicant or affiliate.

(c) The name or any other identifying information of:

(1) An attending physician; or

(2) A person who has applied for or to whom the Division or its designee has issued a registry identification card or letter of approval.

➔ Except as otherwise provided in NRS 239.0115, the items of information described in this subsection are confidential, not subject to subpoena or discovery and not subject to inspection by the general public.

2. Notwithstanding the provisions of subsection 1, the Division or its designee may release the name and other identifying information of a person to whom the Division or its designee has issued a registry identification card or letter of approval to:

(a) Authorized employees of the Division or its designee as necessary to perform official duties of the Division; and

(b) Authorized employees of state and local law enforcement agencies, only as necessary to verify that a person is the lawful holder of a registry identification card or letter of approval issued to him or her pursuant to NRS 453A.220 or 453A.250.

*Sec. 51. NRS 453A.720 is hereby amended to read as follows:*

453A.720 1. The Administrator of the Division *or his or her designee* may apply for or accept any gifts, grants, donations or contributions from any source to carry out the provisions of this chapter ~~that~~ *governing the issuance of registration identification cards and letters of approval and the regulation of the holders of such cards and letters.*

2. Any money the Administrator *or his or her designee* receives pursuant to subsection 1 must be deposited in the State Treasury pursuant to NRS 453A.730.

*Sec. 52. NRS 453A.730 is hereby amended to read as follows:*

453A.730 1. Any money the Administrator of the Division *or his or her designee* receives pursuant to NRS 453A.720 or that is appropriated to carry out the provisions of this chapter ~~that~~ *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters:*

(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 provisions of this chapter ~~that~~ *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters* including the dissemination of information concerning ~~the~~ *those* provisions ~~of this chapter~~ and such other information as determined appropriate by the Administrator; and

(2) Alcohol and drug abuse programs pursuant to NRS 458.094; and

(c) 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.

*Sec. 53. NRS 453A.740 is hereby amended to read as follows:*

453A.740 The Administrator of the Division shall adopt such regulations as the Administrator determines are necessary to carry out the provisions of this chapter ~~that~~ *governing the issuance of registry identification cards and letters of approval and the regulation of the holders of such cards and letters.* The regulations must set forth, without limitation:

1. Procedures pursuant to which the Division will issue a registry identification card or letter of approval or, in cooperation with the Department of Motor Vehicles, cause a registry identification card to be prepared and issued to a qualified person as a type of identification card described in NRS 483.810 to 483.890, inclusive. The procedures described in this subsection must provide that the Division will:

(a) Issue a registry identification card or letter of approval to a qualified person; or

(b) Designate the Department of Motor Vehicles to issue a registry identification card to a person if:

(1) The person presents to the Department of Motor Vehicles valid documentation issued by the Division indicating that the Division has approved the issuance of a registry identification card to the person; and

(2) The Department of Motor Vehicles, before issuing the registry identification card, confirms by telephone or other reliable means that the Division has approved the issuance of a registry identification card to the person.

2. That if the Division issues a registry identification card pursuant to subsection 1, the Division may charge and collect any fee authorized for the issuance of an identification card described in NRS 483.810 to 483.890, inclusive.

3. Fees for:

(a) Providing to an applicant an application for a registry identification card or letter of approval, which fee must not exceed \$25; and

(b) Processing and issuing a registry identification card or letter of approval, which fee must not exceed \$75.

*Sec. 54. 1. The amendatory provisions of this act do not affect the validity of an unexpired medical marijuana establishment registration certificate or medical marijuana establishment agent registration card that was issued by the Division of Public and Behavioral Health of the Department of Health and Human Services before July 1, 2017. However, upon the expiration of such a medical marijuana establishment registration certificate or medical marijuana establishment agent registration card, a person who wishes to retain the limited exemption from state prosecution which is set forth in NRS 453A.200 must:*

(a) Reapply to the Department of Taxation for a new medical marijuana establishment registration certificate or medical marijuana establishment agent registration card issued by that agency.

(b) Pay any necessary fees as set forth in NRS 453A.344 or any regulations adopted pursuant to chapter 453A of NRS.

2. As used in this section:

(a) "Medical marijuana establishment agent registration card" has the meaning ascribed to it in NRS 453A.118.

(b) "Medical marijuana establishment registration certificate" has the meaning ascribed to it in NRS 453A.119.

Sec. 55. 1. The administrative regulations adopted by the Division of Public and Behavioral Health of the Department of Health and Human Services pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments remain in force and are hereby transferred to become the administrative regulations of the Department of Taxation on July 1, 2017. On and after July 1, 2017, these regulations must be interpreted in a manner so that all references to the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts are read and interpreted as being references to the Department of Taxation and its constituent parts, regardless of whether those references have been conformed pursuant to section 56 of this act at the time of interpretation.

2. Any contracts or other agreements entered into by the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments are binding upon the Department of Taxation on and after July 1, 2017, rather than the Division of Public and Behavioral Health of the Department of Health and Human Services and its constituent parts. Such contracts and other agreements may be enforced by the Department of Taxation on and after July 1, 2017.

3. Any action taken by the Division of Public and Behavioral Health of the Department of Health and Human Services or its constituent parts pursuant to chapter 453A of NRS governing the licensing and regulation of medical marijuana establishments before July 1, 2017, remains in effect as if taken by the Department of Taxation or its constituent parts on and after July 1, 2017.

Sec. 56. The Legislative Counsel shall:

1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

2. In preparing supplements to the Nevada Administrative Code, appropriately change any references to an officer, agency or other entity whose name is changed or whose responsibilities are transferred pursuant to the provisions of this act to refer to the appropriate officer, agency or other entity.

*Sec. 57.* NRS 372A.230 and 372A.240 are hereby repealed.

~~[Sec. 20.]~~ *Sec. 58.* This act becomes effective on July 1, 2017.

TEXT OF REPEALED SECTIONS

372A.230 "Facility for the production of edible marijuana products or marijuana-infused products" defined. "Facility for the production of edible marijuana products or marijuana-infused products" has the meaning ascribed to it in NRS 453A.105.

372A.240 "Medical marijuana dispensary" defined. "Medical marijuana dispensary" has the meaning ascribed to it in NRS 453A.115.

Senator Ratti moved the adoption of the amendment.

Remarks by Senator Ratti.

Amendment No. 901 to Senate Bill No. 487 transfers the responsibility for licensing and regulation of medical marijuana establishments pursuant to chapter 453A of NRS from the Division of Public and Behavioral Health within the Department of Health and Human Services to the Department of Taxation.

It repeals the current 2-percent excise taxes imposed on all medical marijuana establishments and provides for the imposition of a 15-percent excise tax on the fair market value at wholesale of all marijuana sold by a marijuana cultivation facility; the proceeds from the 15-percent excise tax are required to be distributed to the Department of Taxation and local governments to pay the costs to carry out the provisions of chapter 453A with any remaining revenue to be distributed to the State Distributive School Account (DSA); a total amount equal to \$5 million per fiscal year is deemed to be a sufficient portion of the 15-percent wholesale excise tax to pay the costs of all local governments to carry out the provisions of chapter 453A, medical marijuana, and 453D, recreational marijuana, and the Department of Taxation is required to establish regulations to provide for the manner in which local governments may be reimbursed for the costs of carrying out the provisions of chapter 453A and 453D. The distribution of the proceeds from the 10-percent excise tax imposed on all marijuana and marijuana products sold by a retail recreational marijuana store is changed to specify that all of the proceeds from the 10-percent excise tax are to be deposited in the State Distributive School Account.

Counties, cities and towns are authorized to impose a license tax on both recreational and medical marijuana establishments. The license tax can be in the form of a flat fee, a percentage of gross revenue or a combination of a flat fee and percentage of gross revenue. The total amount of the license tax imposed must not exceed 3 percent of the gross revenue of the establishment; counties, cities or towns are prohibited from enacting or enforcing certain marijuana-related ordinances which are more restrictive than or conflict with certain marijuana-related laws or regulations of this State.

All medical and recreational marijuana establishments are required to report certain statistical information to the Department of Taxation related to the amounts, types and prices of marijuana and marijuana products purchased or sold, as applicable, by each type of marijuana establishment; and the Department of Taxation is authorized, under certain circumstances, to approve one medical marijuana registration certificate for a dispensary in each city within a county with less than 100,000 in population. The Department is also required to issue a medical marijuana establishment registration certificate for at least one cultivation facility and at least one facility for the production of edible marijuana products and marijuana-infused products in each county.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 83.

Bill read second time.

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

Amendment No. 853.

SUMMARY—Makes various changes relating to insurance. (BDR 57-159)

AN ACT relating to insurance; providing for administrative supervision of insurers and other entities by the Commissioner of Insurance; providing for the regulation of network plans; revising provisions relating to medical malpractice insurance, the general regulation of insurers, reinsurance, motor vehicle insurance, industrial insurance, health insurance in general, health benefit plans in general, funeral and burial services, individual health insurance, group and blanket health insurance, health insurance for small employers, service contracts, credit personal property insurance, nonprofit corporations for hospital, medical and dental service, health maintenance organizations, plans for dental care, prepaid limited health service organizations and managed care organizations; revising provisions relating to the confidentiality of certain documents and other information; revising various references to insurance agents and brokers; repealing various provisions governing summaries of coverage, loss prevention, disclosures of certain information, continuation of coverage and insurance requirements for prepaid limited health service organizations; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Commissioner of Insurance to regulate insurance in this State. (NRS 679B.120) This bill adds to, revises and repeals various provisions of existing law, primarily in title 57 of NRS, relating to the regulation of insurance in this State.

Sections 2-13 of this bill authorize the Commissioner to place an insurer under administrative supervision and set forth the requirements for such supervision. Section 6 authorizes the Commissioner to place an insurer under administrative supervision under specified circumstances, including, without limitation, when the insurer is in a hazardous financial condition, when the insurer appears to have exceeded its powers or if an insurer agrees to be placed under such supervision. Section 6 further provides for the duration of the administrative supervision and the release of the insurer from administrative supervision. Section 7 designates the Commissioner or an appointee thereof as the administrative supervisor of an insurer under administrative supervision, authorizes the Commissioner to limit the actions of such an insurer and lists various types of actions which the Commissioner may prohibit the insurer from taking without obtaining advance approval from the Commissioner or appointee. Sections 3 and 4 define, for the purposes of sections 2-13, the terms "Commissioner" and "insurer." Both terms are currently defined for the purposes of existing law, but sections 3 and 4 provide more expansive definitions for the purposes of sections 2-13. (NRS 679A.060, 679A.100) Section 5 expressly makes sections 2-13 apply to insurers and other persons, including, without limitation, a person purporting to be an insurer, organizing to be an insurer or holding himself or herself out as organizing to be an insurer. Section 8 governs the use and confidentiality of information relating to the

administrative supervision of an insurer. Section 9 establishes provisions governing the contesting or reviewing of decisions made by the Commissioner or an appointee thereof pursuant to sections 2-13. Section 10 ensures that the Commissioner may institute delinquency proceedings against an insurer without regard to whether the insurer is or was under administrative supervision. Section 11 authorizes the Commissioner, a designee of the Commissioner and an attorney or other persons to meet, for specified purposes, outside the presence of other persons. Section 12 authorizes the Commissioner to adopt regulations and to employ various persons to carry out the administrative supervision of an insurer. Section 12 further authorizes the Commissioner to require the insurer under administrative supervision to pay the compensation and expenses of the persons the Commissioner appoints and employs for the purposes of the administrative supervision. Section 13 provides that the Commissioner and his or her employees and agents are not liable for actions taken pursuant to sections 2-13.

Section 14 of this bill revises the information the Commissioner is required to collect regarding closed claims for medical malpractice. (NRS 679B.144) Sections 117 and 118 remove the requirement to report certain information regarding closed claims for medical malpractice. (NRS 690B.250, 690B.260) Section 119 of this bill revises requirements concerning professional liability insurance for essential medical specialties. (NRS 690B.350) Section 120 of this bill revises requirements concerning information to be gathered and reports to be provided by the Commissioner concerning medical malpractice insurance. (NRS 690B.360)

Sections 15, 21, 26, 27, 29-32, 164 and 165 of this bill replace various references to insurance agents, brokers and solicitors, which are undefined terms, with the term "producer of insurance," which is defined as "a person required to be licensed under the laws of this state to sell, solicit or negotiate insurance." (NRS 679A.117)

Section 16 of this bill requires an insurer to which the Commissioner has issued a certificate of authority to notify the Commissioner of material changes to the information provided by the insurer to the Commissioner in the insurer's application for a certificate of authority. Section 18 of this bill authorizes a life insurer or multiple lines insurer to issue life or health insurance policies under its own name and under additional titles. (NRS 680A.240)

Existing law requires an authorized insurer annually to file with the Commissioner a full and true statement of the insurer's financial condition, transactions and affairs as of the previous December 31 and makes confidential certain information submitted to the Division of Insurance of the Department of Business and Industry. (NRS 680A.270) Section 19 of this bill expands the confidentiality provision to include all work papers, documents and materials prepared for the purpose of submitting the statement or by or on behalf of the Division. Section 19 also authorizes the insurer to file, as an exhibit separate from the annual statement, specified disclosures of compensation paid to or on

behalf of an insurer's officers, directors or employees and makes such information confidential.

Section 20 of this bill expands the applicability of the monetary penalty required to be imposed for a delay by an insurer in properly filing an annual statement. (NRS 680A.280) Section 24 of this bill narrows the definition of the term "managing general agent" to include the management of an underwriting office. (NRS 683A.060) Section 25 of this bill removes the willfulness requirement from one of the grounds for which the Commissioner may suspend or revoke the certificate of registration of an administrator and replaces it with a knowingly requirement. (NRS 683A.0892) Section 33 of this bill revises the duties of an insurer with regard to the use of information in a consumer credit report. (NRS 686A.680)

Section 22 of this bill authorizes the Commissioner to adopt regulations governing certain arrangements for reinsurance, including, without limitation, the amounts and forms of security which must be held pursuant to those arrangements.

Section 28 of this bill provides for the automatic suspension of the license of a motor vehicle physical damage appraiser if the appraiser does not file a replacement bond for a required surety bond in the event of the cancellation of the required surety bond. (NRS 684B.030) Section 86 of this bill revises provisions governing the cancellation, nonrenewal or increase in premiums for renewal of a policy of motor vehicle insurance as the result of the filing of certain claims. (NRS 687B.385)

Section 35 of this bill defines the term "large-deductible agreement" as certain agreements in which the policyholder must bear the risk of loss of a specified amount of \$25,000 or more per claim or occurrence covered under the policy of industrial insurance. Section 38 of this bill requires full collateralization of the outstanding obligations owed under a large-deductible agreement and limits the size of the policyholder's obligations under the large-deductible agreement. Section 39 of this bill generally prohibits an insurer from issuing or renewing a policy of industrial insurance which includes a large-deductible agreement if the insurer is in a hazardous financial condition. Section 37 of this bill limits the applicability of sections 38 and 39 to policies of industrial insurance with large-deductible agreements which are issued by insurers with both ratings below specified levels and surpluses below specified amounts. Section 37 further specifies that sections 38 and 39 only apply to policies of industrial insurance issued or renewed on or after January 1, 2018, and which are not issued to a governmental entity. Section 166 of this bill revises the definition of the term "tangible net worth" in relation to industrial insurance, specifically self-insured employers and associations of self-insured employers. (NRS 616A.330)

Existing law provides for the Commissioner to consider each proposed increase or decrease in the rates of various kinds and lines of insurance. (NRS 686B.070) Section 36 of this bill creates new procedures for the Commissioner to consider each proposed increase or decrease in the rates of

health plans for individual health insurance, group and blanket health insurance, health insurance for small employers, nonprofit corporations for hospital, medical and dental services, health maintenance organizations, plans for dental care and prepaid limited health service organizations.

Section 44 of this bill clarifies that the existing procedures for considering a proposed increase or decrease do not apply to the insurers subject to the provisions of section 36. (NRS 686B.110)

Sections 88 and 89 of this bill revise existing provisions relating to health benefit plans by specifying that the group market and small group market being considered in these provisions must be the "small employer" group market. (NRS 687B.490, 687B.500)

Sections 51-85 of this bill establish provisions governing network plans. Section 60 defines a network plan as a health benefit plan offered or issued by a health carrier under which the financing and delivery of health care services are provided, in whole or in part, through a defined set of providers of health care under contract with the health carrier. Sections 52-59 and 61-64 define other terms for the regulation of network plans. Section 65 requires a health carrier to comply with and ensure that network plans and related contracts comply with sections 51-85. Sections 66, 71, 79, 81 and 84 require a health carrier to provide for notice to providers of health care concerning: (1) covered services; (2) the health carrier's policies and programs; (3) the providers' obligations to collect payments; (4) determinations of coverage; and (5) the inclusion of and status of a participating provider in the network plan. Sections 167, 68, 70, 74 and 77 require a contract between a provider of health care and a health carrier to contain provisions which: (1) prohibit the provider from collecting excess amounts from covered persons; (2) require the continuation of health care services in the event of cessation of the operations of the health carrier; (3) require that written notice be provided to a participating provider of health care in certain circumstances; (4) require the provider to make health care records available under certain circumstances; and (5) prohibit the assignment or delegation of rights under the contract. Section 69 provides that specified provisions in a contract between a provider of health care and a health carrier must be construed in favor of the covered person. Section 72 prohibits a health carrier from offering inducement to a provider of health care to provide health care services which are less than medically necessary. Section 73 requires that a health carrier allow a provider of health care to discuss all treatment options with a covered person and advocate for the covered person. Section 78 governs the furnishing of covered services to all covered persons. Section 80 prohibits a health carrier from penalizing a provider of health care who reports to state or federal authorities certain practices of the health carrier. Section 82 requires a health carrier to establish procedures for dispute resolution between a provider of health care and the health carrier. Section 83 prohibits a contract between a provider of health care and a health carrier from containing any provision which conflicts

with the network plan or with any provision of sections 51-85. Section 85 authorizes the Commissioner to adopt regulations to carry out sections 51-85.

Section 90 of this bill provides for the automatic suspension of the certificate of authority of a seller of prepaid contracts for funeral services if the seller does not file a replacement bond for a required surety bond in the event of the cancellation of the required surety bond. (NRS 689.185) Section 91 of this bill similarly provides for the automatic suspension of the permit of a seller of prepaid contracts for burial services if the seller does not file a replacement bond for a required surety bond in the event of the cancellation of the required surety bond. (NRS 689.495)

Section 92 of this bill provides, with certain exceptions, that unified rate review templates and rate filing documentation of individual carriers are considered proprietary, constitute a trade secret and are not subject to disclosure by the Commissioner. Sections 98, 110, 112 and 114 of this bill remove the notice requirement regarding the discontinuance of a product: (1) of a health benefit plan; (2) of group health insurance; (3) offered to small employers; and (4) offered to small employers or purchasers through a voluntary purchasing group. (NRS 689A.630, 689B.560, 689C.310, 689C.470) Sections 109, 113 and 134 of this bill remove the requirement that certain policies of group health insurance, health benefit plans and group contracts for hospital, medical or dental services include a provision regarding the point at which an insured's payment of coinsurance for a provider of health care who is not preferred is no longer required to be paid. (NRS 689B.061, 689C.350, 695B.185)

Section 111 of this bill deletes provisions governing the determination of whether an employer is small or large, and the applicability of other provisions after an employer is deemed large. (NRS 689C.111)

Sections 122-124 and 127-129 of this bill revise provisions relating to service contracts which are contracts pursuant to which a provider is obligated to the purchaser of the service contract to repair, replace or perform maintenance on, or indemnify or reimburse the purchaser for the costs of repairing, replacing or performing maintenance on, goods that are described in the service contract. (NRS 690C.080) Section 123 sets forth the qualifications of a controlling person for the purposes of determining the controlling person of a provider of service contracts. Section 127 adds to the requirements for a provider to apply for and obtain a certificate of registration to issue, sell or offer for sale service contracts, including providing certain personal and criminal history information about the controlling persons of the provider and verifying that the information in the application for a certificate of registration is accurate to the best of his or her knowledge. (NRS 690C.160) Section 124 prohibits a provider from transferring its liability under a service contract except under specified conditions, including, without limitation, obtaining the approval of the Commissioner. Section 128 revises the requirements governing the financial security which must be maintained by a provider, including, without limitation, expanded requirements concerning a reserve account.



(NRS 690C.170) Section 129 revises provisions which govern the notice required by a provider which ceases to do business in this State. (NRS 690C.240)

Section 130 of this bill deletes a requirement that the Commissioner is required to adopt regulations relating to reasonable rates for credit personal property insurance. (NRS 691C.340) However, section 130 retains express authority for the Commissioner to adopt regulations concerning rates for credit personal property insurance an insurer may use without making certain filings. Section 131 deletes a requirement that the Commissioner is required to adopt regulations relating to a refund of unearned premiums for credit personal property insurance. (NRS 691C.390)

Sections 132 and 142 of this bill require nonprofit corporations for hospital, medical or dental service and health maintenance organizations to contract with an insurance company to provide insurance, indemnity or reimbursement against the cost of services provided and sets forth requirements relating to the payment of claims made to insureds or enrollees, as applicable, in the case of the insolvency or impairment of such corporation or organization.

Existing law sets forth provisions regarding the insolvency of nonprofit corporation for hospital, medical or dental service. (NRS 695B.150) Section 133 of this bill expands the requirements for determinations concerning the insolvency of such a corporation, adds provisions concerning the impairment of such a corporation and authorizes the Commissioner to adopt regulations concerning a determination that such a corporation is in a hazardous financial condition. Sections 143, 152 and 156 of this bill establish similar provisions for health maintenance organizations, organizations for dental care and prepaid limited health service organizations.

Existing law clarifies that nonprofit hospital and medical or dental service corporations, health maintenance organizations, organizations for dental care and prepaid limited health service organizations are subject to certain other provisions of existing law. (NRS 695B.320, 695C.055, 695D.095, 695F.090) Sections 138, 147, 154 and 157 of this bill revise such provisions to include additional requirements for applicability. Section 144 of this bill requires each health maintenance organization to develop, submit to the Commissioner and put into effect a plan to provide for the continuation of benefits to enrollees in the event of the insolvency or impairment of the health maintenance organization. Section 145 of this bill authorizes the Commissioner to take certain actions regarding the operation of a health maintenance organization if the Commissioner determines that, because of the financial condition of the health maintenance organization, the continued operation of the health maintenance organization may be hazardous to its enrollees or creditors or to the general public. Section 146 of this bill addresses the conservation, rehabilitation and liquidation of health maintenance organizations. Section 149 of this bill revises provisions governing examinations of health maintenance organizations by the Commissioner or an examiner designated by the Commissioner. (NRS 695C.310)

Section 153 of this bill requires an organization for dental care to maintain a capital account with a minimum net worth of not less than \$500,000 unless a different amount is authorized by the Commissioner. Section 155 and 158 of this bill revise requirements for organizations for dental care and prepaid limited health service organizations to maintain surety bonds or deposits by increasing the amount of such bonds or deposits from \$250,000 to \$500,000 and authorizing the Commissioner to increase the amount of such bonds or deposits under certain circumstances. (NRS 695D.170, 695F.200) Section 158 also increases the minimum net worth a prepaid limited health service organization must maintain in a capital account from \$200,000 to \$500,000.

Existing law requires a managed care organization to report annually to the Commissioner regarding its methods for reviewing the quality of health care services provided to its insureds. (NRS 695G.130) Section 159 of this bill changes the timeline for submitting such a report and requires that the report be submitted on a form prescribed by the Commissioner.

Sections 103-106, 139, 140, 148, 160 and 161 of this bill remove the State Board of Health from the provisions governing systems for resolving complaints of insureds. (NRS 689A.745, 689A.750, 689B.0285, 389B.029, 695B.380, 695B.390, 695C.080, 695G.200, 695G.220)

Section 168 repeals: (1) the requirement for certain insurers and the Commissioner to submit annual reports addressing loss prevention and control programs (NRS 680A.290, 690B.370); (2) the requirement for certain insurers to make certain disclosures (NRS 689A.390, 689A.400, 689A.690, 689B.027, 689B.028, 689C.270, 689C.280, 689C.440, 689C.450, 695B.172, 695B.174); and (3) the requirement for a prepaid limited health service organization to contract with an insurance company for certain purposes (NRS 695F.215).

Existing law sets forth that an employer who is a member of an association of self-insured public or private employers may terminate his or her membership at any time, as long as the member submits to the association a notice of intent to withdraw from the association at least 120 days before the effective date of withdrawal. Existing law further requires this notice of intent to withdraw to include a statement indicating that the member has replaced his or her membership to the association with a certain other type of insurance. (NRS 616B.386) Section 166.3 of this bill amends existing law by requiring that the notice of intent to withdraw be deemed rescinded if the member does not provide to the association before the expiration of the 120-day period proof that the member has replaced his or her membership to the association with a certain other type of insurance.

Sections 17, 23, 40-43, 45-49, 87, 93-97, 99-102, 107, 108, 115, 116, 125, 126, 135, 136, 150 and 163 of this bill make conforming changes.

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

Section 1. Title 57 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 2 to 13, inclusive, of this act.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Commissioner" means the Commissioner of Insurance and, if applicable:*

1. *A deputy of the Commissioner; or*
2. *The Division.*

Sec. 4. *"Insurer" includes, without limitation:*

1. *A captive insurer that has been issued a certificate of authority pursuant to chapter 694C of NRS;*
2. *A fraternal benefit society that has been issued a certificate of authority pursuant to chapter 695A of NRS;*
3. *A health maintenance organization that has been issued a certificate of authority pursuant to chapter 695C of NRS;*
4. *A nonprofit corporation for hospital, medical or dental services that has been issued a certificate of authority pursuant to chapter 695B of NRS;*
5. *An organization for dental care that has been issued a certificate of authority pursuant to chapter 695D of NRS;*
6. *A prepaid limited health service organization that has been issued a certificate of authority pursuant to chapter 695F of NRS;*
7. *A risk retention group that has been issued a certificate of registration pursuant to chapter 695E of NRS;*
8. *Any person who is engaged as principal and as indemnitor, surety or contractor in the business of entering into contracts of insurance; and*
9. *Any person purporting to be an insurer listed in subsections 1 to 8, inclusive, or in the process of organizing, or holding himself or herself out as organizing, or proposing to organize in this State for the purpose of becoming an insurer listed in subsections 1 to 8, inclusive.*

Sec. 5. *The provisions of this chapter apply to:*

1. *All domestic insurers;*
2. *Any foreign insurer doing business in this State regarding whom an applicable official of the foreign insurer's state of domicile has requested that the Commissioner apply the provisions of this chapter to the foreign insurer;*
3. *All persons purporting to be an insurer, or in the process of organizing, or holding themselves out as organizing, or proposing to organize in this State for the purpose of becoming an insurer; and*
4. *All other persons to whom the provisions of this chapter are otherwise expressly made applicable by law.*

Sec. 6. 1. *The Commissioner may place an insurer under administrative supervision if:*

(a) *At any time, the Commissioner determines that:*

(1) *The insurer is in a hazardous financial condition as set forth in regulations adopted pursuant to NRS 680A.205 or 695B.150 or section 143, 152 or 156 of this act or any other applicable provision of this title;*

(2) *The insurer is in a hazardous financial condition pursuant to NRS 682A.510 or section 145 and 146 of this act or any other applicable provision of this title;*

(3) *The continued operation of the insurer transacting business in this State may be hazardous to the insureds or creditors of the insurer or to the general public;*

(4) *As described in subsection 5, the insurer appears to have exceeded its powers as granted by its license or certificate of authority, as applicable, or as granted by applicable law; or*

(5) *The insurer is conducting its business fraudulently; or*

(b) *The insurer agrees to be placed under administrative supervision.*

2. *If the Commissioner places an insurer under administrative supervision pursuant to subsection 1:*

(a) *The Commissioner shall promptly notify the insurer that the insurer has been placed under administrative supervision, and include with that notice:*

(1) *The determination, if any, made by the Commissioner pursuant to paragraph (a) of subsection 1;*

(2) *A written list of the actions which the insurer must take to satisfy the Commissioner that the placement of the insurer under administrative supervision pursuant to subsection 1 is no longer appropriate;*

(3) *The initial period of administrative supervision established pursuant to paragraph (b);*

(4) *The actions, if any, identified by the Commissioner pursuant to subsection 2 of section 7 of this act; and*

(5) *A statement that the provisions of this chapter govern the administrative supervision of the insurer.*

(b) *Except as otherwise provided in this paragraph, the initial period of administrative supervision begins upon the insurer's receipt of the notice described in paragraph (a) and ends 60 days after the date of the Commissioner's determination pursuant to paragraph (a) of subsection 1 or the date of the insurer's agreement pursuant to paragraph (b) of subsection 1, as applicable. The Commissioner may designate a different date for the end of the initial period of administrative supervision, if the Commissioner determines that a different date is appropriate and includes that date in the notice required by paragraph (a).*

3. *The insurer remains under administrative supervision pursuant to this section from the beginning of the initial period of administrative supervision established pursuant to paragraph (b) of subsection 2 until the date on which the insurer is released from administrative supervision by the Commissioner pursuant to paragraph (a) of subsection 4.*

4. *At the end of the initial period of supervision established pursuant to paragraph (b) of subsection 2 and at the end of any extended period of supervision established pursuant to paragraph (b) of this subsection, the Commissioner shall provide the insurer with notice and an opportunity for a hearing to determine whether the insurer has taken the actions specified*

*pursuant to subparagraph (2) of paragraph (a) of subsection 2 to the satisfaction of the Commissioner. If the Commissioner determines that the insurer:*

- (a) Has taken such actions to the satisfaction of the Commissioner, the Commissioner shall release the insurer from administrative supervision; or*
- (b) Has not taken such actions to the satisfaction of the Commissioner, the Commissioner shall designate an extended period of supervision during which the insurer remains under administrative supervision.*

*5. For the purposes of subparagraph (2) of paragraph (a) of subsection 1, an insurer shall be deemed to have exceeded its powers if the insurer:*

- (a) Refused to permit the Commissioner, or an examiner authorized by the Commissioner, to examine its books, papers, accounts, records or affairs;*
- (b) Is a domestic insurer and unlawfully removed from this State books, papers, accounts or records necessary for an examination of the insurer;*
- (c) Failed or refused to promptly comply with any applicable statutes or regulations relating to financial reporting or any requests of the Commissioner relating thereto;*
- (d) Failed or refused to comply with an order of the Commissioner to make good, within the time prescribed by law, any prohibited deficiency in its capital, capital stock or surplus;*
- (e) Continued to transact insurance or write business in this State after its license or certificate of authority, as applicable, has been revoked or suspended by the Commissioner;*
- (f) Unlawfully, in violation of an order of the Commissioner, or without first having obtained written approval of the Commissioner if written approval is required by law, and whether accomplished by contract or otherwise:*
  - (1) Completely reinsured its entire outstanding business; or*
  - (2) Merged or substantially consolidated its entire property or business with another insurer;*
- (g) Engaged in any transaction in which it is not authorized to engage under the laws of this State; or*
- (h) Otherwise failed or refused to comply with a lawful order of the Commissioner.*

*Sec. 7. 1. During the period an insurer is under administrative supervision pursuant to section 6 of this act, the Commissioner or an appointee designated by the Commissioner shall serve as the administrative supervisor of the insurer.*

*2. The Commissioner may identify any one or more actions specified in subsection 3 as actions which the insurer shall not take during the period the insurer remains under administrative supervision pursuant to section 6 of this act unless the insurer obtains approval in advance from the administrative supervisor designated pursuant to subsection 1.*

*3. If identified by the Commissioner pursuant to subsection 2, the insurer shall not, without obtaining approval in advance from the administrative supervisor:*

- (a) *Dispose of, convey or encumber any of its assets or its business in force;*
- (b) *Withdraw money from any of its bank accounts;*
- (c) *Lend any of its money;*
- (d) *Invest any of its money;*
- (e) *Transfer any of its property;*
- (f) *Incur any debt, obligation or liability;*
- (g) *Merge or consolidate with another insurer or any other business entity as defined in NRS 682A.025;*
- (h) *Approve new premiums or renew any policies;*
- (i) *Enter into any new reinsurance contract or treaty;*
- (j) *Terminate, surrender, forfeit, convert or lapse any insurance policy, certificate or contract, except for nonpayment of premiums due;*
- (k) *Release, pay or refund premium deposits, accrued cash or loan values, unearned premiums or other reserves on any insurance policy, certificate or contract;*
- (l) *Make any material change in management; or*
- (m) *Increase any salary or benefit of an officer or director, increase the preferential payment of a bonus or dividend or increase any other payment deemed by the Commissioner to be preferential.*

Sec. 8. 1. *Notwithstanding any other provision of law and except as set forth in this section and NRS 239.0115, any proceedings and hearings, and any notices, correspondence, reports, records and other information in the possession of the Commissioner, relating to the administrative supervision of any insurer pursuant to this chapter are confidential by law and privileged, are not subject to subpoena, are not subject to discovery and are not admissible in evidence in any private civil action.*

2. *The Commissioner may use the information specified in subsection 1 in the furtherance of any regulatory or legal action brought as part of his or her official duties, including, without limitation, his or her duties as a receiver pursuant to chapter 696B of NRS.*

3. *Neither the Commissioner nor any other person who received access to any information specified in subsection 1 while acting under the authority of the Commissioner may be permitted or required to testify in any private civil action concerning the information.*

4. *In order to assist in the performance of the regulatory duties of the Commissioner, the Commissioner may:*

- (a) *Share the information specified in subsection 1 with:*
  - (1) *Other state, federal and international regulatory agencies, including, without limitation, members of any supervisory college as defined in NRS 692C.359;*
  - (2) *The National Association of Insurance Commissioners and its affiliates and subsidiaries;*
  - (3) *Third party consultants designated by the Commissioner; and*

(4) State, federal and international law enforcement authorities, if the Commissioner determines that the disclosure is necessary or proper for the enforcement of the laws of this State or another state,

↪ provided that the recipient agrees to maintain the confidentiality of the applicable information specified in subsection 1. No waiver of any applicable privilege or claim of confidentiality occurs because of the sharing of information pursuant to this paragraph.

(b) Open any proceedings or hearings to the public or make public any other information specified in subsection 1 if the Commissioner determines that it is in the best interest of the public or in the best interest of the insurer, the insureds or creditors of the insurer, or the general public.

Sec. 9. 1. During the period an insurer is under administrative supervision pursuant to section 6 of this act, the insurer may contest any action taken or proposed to be taken by the administrative supervisor designated pursuant to subsection 1 of section 7 of this act on the ground that the action would not result in improving the condition of the insurer. To contest an action taken or proposed to be taken by the administrative supervisor, the insurer must submit a request for reconsideration to the administrative supervisor. If the administrative supervisor, upon reconsideration, denies the insurer's request, the insurer may request a review of the decision of the administrative supervisor pursuant to NRS 679B.310 to 679B.370, inclusive.

2. Any action taken by the Commissioner pursuant to this chapter is subject to:

(a) Review pursuant to NRS 679B.310 to 679B.370, inclusive, and any regulations adopted pursuant thereto; and

(b) Judicial review pursuant to chapter 233B of NRS.

Sec. 10. Nothing in this chapter shall be construed to limit the authority of the Commissioner to institute delinquency proceedings against an insurer pursuant to chapter 696B of NRS for the purpose of conserving, rehabilitating, reorganizing or liquidating the insurer, without regard to whether the Commissioner has currently or previously placed the insurer under administrative supervision pursuant to section 6 of this act.

Sec. 11. Notwithstanding any other provision of law, at the time of any proceeding or during the pendency of any proceeding held pursuant to this chapter, the Commissioner may meet with an administrative supervisor designated by the Commissioner pursuant to subsection 1 of section 7 of this act, and with the attorney or other representative of the administrative supervisor designated pursuant to subsection 1 of section 7 of this act, without the presence of any other person:

1. To carry out the duties of the Commissioner under this chapter; or

2. To allow the administrative supervisor to carry out his or her duties under this chapter.

Sec. 12. The Commissioner may:

1. Adopt any regulations necessary to carry out the purposes and provisions of this chapter;

2. *In addition to an administrative supervisor designated by the Commissioner pursuant to subsection 1 of section 7 of this act, employ any other counsels, actuaries, clerks and assistants as the Commissioner deems necessary for the administrative supervision of an insurer; and*

3. *Require an insurer placed under administrative supervision to pay the compensation and expenses of the administrative supervisor designated by the Commissioner pursuant to subsection 1 of section 7 of this act and any other counsels, actuaries, clerks and assistants described in subsection 2.*

Sec. 13. *There shall be no liability on the part of, and no cause of action of any nature against, the Commissioner or any employee or agent of the Commissioner, or an administrative supervisor designated pursuant to subsection 1 of section 7 of this act, for any action taken by them in the performance of their powers and duties under this chapter.*

Sec. 14. NRS 679B.144 is hereby amended to read as follows:

679B.144 1. The Commissioner shall collect and maintain the information provided by insurers pursuant to NRS 690B.260 regarding each closed claim for medical malpractice filed against a person who is covered by a policy of insurance for medical malpractice in this state, including, without limitation:

- (a) The cause of the loss;
- (b) A description of the injury for which the claim was filed;
- (c) The sex of the injured person;
- (d) The names and number of defendants in each claim;
- (e) The type of coverage provided;
- (f) ~~{The amount of the initial, highest and last reserves of an insurer for each claim before final resolution of the claim by settlement or trial;~~
- ~~—(g)}~~ The disposition of each claim;
- ~~{(h)}~~ (g) The amount of money awarded through settlement or by verdict;
- ~~{(i)}~~ (h) The sum of money paid to each claimant and the source of that sum;
- ~~{(j)}~~ (i) Any sum of money allocated to expenses for the adjustment of losses; and
- ~~{(k)}~~ (j) Any other information the Commissioner determines to be necessary or appropriate.

2. The Commissioner shall submit with the report to the Legislature required pursuant to NRS 679B.410 a summary of the information collected pursuant to this section.

3. The Commissioner ~~{shall}~~ may adopt regulations necessary to carry out the provisions of this section.

4. As used in this section, "policy of insurance for medical malpractice" means a policy that provides coverage for any medical professional liability of the insured under the policy.

Sec. 15. NRS 679B.240 is hereby amended to read as follows:

679B.240 To ascertain compliance with law, or relationships and transactions between any person and any insurer or proposed insurer, the



Commissioner may, as often as he or she deems advisable, examine the accounts, records, documents and transactions relating to such compliance or relationships of:

1. Any *producer* of insurance, ~~agent,~~ solicitor, ~~broker,~~ surplus lines broker, general agent, adjuster, insurer representative, bail agent, motor club agent or any other licensee or any other person the Commissioner has reason to believe may be acting as or holding himself or herself out as any of the foregoing.

2. Any person having a contract under which the person enjoys in fact the exclusive or dominant right to manage or control an insurer.

3. Any insurance holding company or other person holding the shares of voting stock or the proxies of policyholders of a domestic insurer, to control the management thereof, as voting trustee or otherwise.

4. Any subsidiary of the insurer.

5. Any person engaged in this state in, or proposing to be engaged in this state in, or holding himself or herself out in this state as so engaging or proposing, or in this state assisting in, the promotion, formation or financing of an insurer or insurance holding corporation, or corporation or other group to finance an insurer or the production of its business.

6. Any independent review organization, as defined in NRS 695G.026.

Sec. 16. Chapter 680A of NRS is hereby amended by adding thereto a new section to read as follows:

1. *Each insurer to which the Commissioner issues a certificate of authority shall notify the Commissioner of all material changes to the information provided by the insurer in its written application pursuant to NRS 680A.150, including, without limitation:*

*(a) Any change of address, such as a change to:*

*(1) The mailing address of the home office, or any other physical address, of the insurer; and*

*(2) Any other mailing address of the insurer, including, without limitation, the address used for general correspondence or for annual renewal notices;*

*(b) Any changes in the officers, directors or ownership of the insurer;*

*(c) Any changes to the manner of service of legal process against the insurer; and*

*(d) Any changes to the articles of incorporation, by-laws or power of attorney for the attorney-in-fact of the insurer.*

2. *The notice required by subsection 1 must be provided to the Commissioner within 30 days after the date on which the change occurs.*

3. *If an insurer changes its physical or mailing address without giving written notice and the Commissioner is unable to locate the insurer after diligent effort, the Commissioner may suspend or revoke the insurer's certificate of authority without a hearing. The mailing of a letter by certified mail, return receipt requested, addressed to the insurer at its last mailing address appearing on the records of the Division, and the return of the letter*

*undelivered, constitutes a diligent effort by the Commissioner. In lieu of such a suspension or revocation, the Commissioner may levy upon the insurer, and the insurer shall pay forthwith, an administrative fine of not more than \$2,000 for each act or violation.*

Sec. 17. NRS 680A.095 is hereby amended to read as follows:

680A.095 1. Except as otherwise provided in subsection 3, an insurer which is not authorized to transact insurance in this State may not transact reinsurance with a domestic insurer in this State, by mail or otherwise, unless the insurer holds a certificate of authority as a reinsurer in accordance with the provisions of NRS 680A.010 to 680A.150, inclusive, 680A.160 to ~~680A.290,~~ 680A.280, inclusive, *and section 16 of this act*, 680A.320 and 680A.330.

2. To qualify for authority only to transact reinsurance, an insurer must meet the same requirements for capital and surplus as are imposed on an insurer which is authorized to transact insurance in this State.

3. This section does not apply to the joint reinsurance of title insurance risks or to reciprocal insurance authorized pursuant to chapter 694B of NRS.

Sec. 18. NRS 680A.240 is hereby amended to read as follows:

680A.240 1. A property insurer or multiple line insurer authorized to transact insurance in Nevada shall have the right to issue property insurance policies under its own name and under additional "titles" or under additional "titles" duly registered by the insurer with the Commissioner.

2. *A life insurer or multiple line insurer authorized to transact insurance in Nevada shall have the right to issue life or health insurance policies under its own name and under additional "titles" or under additional "titles" duly registered by the insurer with the Commissioner.*

3. The Commissioner shall, upon the insurer's request, furnish to the insurer the form required for such registration, and the insurer shall pay the fee for registration as specified in NRS 680B.010 (fee schedule). Registered titles shall be shown on the insurer's certificate of authority and shall remain in effect for so long as the insurer's certificate of authority is in effect, subject to earlier termination of the registration at the insurer's request.

~~{3-}~~ 4. All business transacted by the insurer under additional titles shall be included in business and transactions of the insurer to be shown by its annual statement filed with the Commissioner, for all purposes under this Code.

Sec. 19. NRS 680A.270 is hereby amended to read as follows:

680A.270 1. Each authorized insurer shall annually on or before March 1, or within any reasonable extension of time therefor which the Commissioner for good cause may have granted on or before that date, file with the Commissioner a full and true statement of its financial condition, transactions and affairs as of December 31 preceding. The statement must be:

(a) In the general form and context of, and require information as called for by, an annual statement as is currently in general and customary use in the United States for the type of insurer and kinds of insurance to be reported upon,

with any useful or necessary modification or adaptation thereof, supplemented by additional information required by the Commissioner;

(b) Prepared in accordance with:

(1) 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; and

(2) 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) Verified by the oath of the insurer's president or vice president and secretary or actuary, as applicable, or, in the absence of the foregoing, by two other principal officers, or if a reciprocal insurer, by the oath of the attorney-in-fact, or its like officers if a corporation.

2. The statement of an alien insurer must be verified by its United States manager or other officer who is authorized to do so, and may relate only to the insurer's transactions and affairs in the United States unless the Commissioner requires otherwise. If the Commissioner requires a statement as to the insurer's affairs throughout the world, the insurer shall file the statement with the Commissioner as soon as reasonably possible.

3. The Commissioner may refuse to continue, or may suspend or revoke, the certificate of authority of any insurer failing to file its annual statement when due.

4. At the time of filing, the insurer shall pay the fee for filing its annual statement as prescribed by NRS 680B.010.

5. The Commissioner may adopt regulations requiring each domestic, foreign and alien insurer which is authorized to transact insurance in this state to file the insurer's annual statement with the National Association of Insurance Commissioners or its successor organization.

6. Except as otherwise provided in NRS 239.0115, all ~~ratios of financial analyses and synopses of examinations concerning insurers that are submitted to the Division by the National Association of Insurance Commissioners' Insurance Regulatory Information System~~ work papers, documents and materials prepared pursuant to this section by or on behalf of the Division are confidential and ~~may~~ must not be disclosed by the Division.

7. *To the extent that the Annual Statement Instructions referenced in subparagraph (1) of paragraph (b) of subsection 1 require the disclosure of compensation paid to or on behalf of an insurer's officers, directors or employees, the information may be filed with the Commissioner as an exhibit separate from the statement required by this section. Except as otherwise provided in NRS 239.0115, the compensation information described in this subsection is confidential and must not be disclosed by the Division.*

Sec. 20. NRS 680A.280 is hereby amended to read as follows:

680A.280 1. Any insurer failing, without just cause beyond the reasonable control of the insurer, to file ~~its~~ an annual statement as required

in NRS 680A.265 and 680A.270 shall be required to pay a penalty of \$100 for each day's delay, but not to exceed \$3,000 in aggregate amount, to be recovered in the name of the State of Nevada by the Attorney General.

2. Any director, officer, agent or employee of any insurer who subscribes to, makes or concurs in making or publishing, any annual or other statement required by law, knowing the same to contain any material statement which is false, is guilty of a gross misdemeanor.

Sec. 21. NRS 680B.020 is hereby amended to read as follows:

680B.020 1. Notwithstanding the provisions of any general or special law, the possession of a license or certificate of authority issued under this Code shall be authorization to transact such business as indicated in such license or certificate of authority, and shall be in lieu of all licenses, whether for regulation or revenue, required to transact insurance business within the State of Nevada; but each city, town or county may require a license for revenue purposes only for any insurance ~~[agent, broker,]~~ analyst, adjuster or managing general agent *or producer of insurance* whose principal place of business is located within such city or town, or within the county outside the cities and towns of the county, respectively.

2. This section shall not be modified or repealed by any law of general application enacted after January 1, 1972, unless expressly referred to or expressly repealed therein.

Sec. 22. Chapter 681A of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Commissioner may adopt regulations applicable to arrangements for reinsurance relating to:*

(a) *Life insurance policies with guaranteed non-level gross premiums or guaranteed non-level benefits;*

(b) *Universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period;*

(c) *Variable annuities with guaranteed death or living benefits;*

(d) *Policies for long-term care insurance; or*

(e) *Such other life and health insurance and annuity products as to which the National Association of Insurance Commissioners adopts model regulatory requirements with respect to credit for reinsurance.*

2. *A regulation adopted pursuant to this section may require the ceding insurer, in calculating the amounts or forms of security required to be held pursuant to regulations adopted pursuant to this section, to use the Valuation Manual, as defined in NRS 681B.0071, which is in effect on the date as of which the calculation is made, to the extent applicable.*

3. *A regulation adopted pursuant to this section must not apply to a cession to an assuming insurer that:*

(a) *Is certified in this State or, if this State has not adopted regulations which provide for an assuming insurer to satisfy the requirements of NRS 681A.155 for credit to be allowed, certified in a minimum of five other states; or*

(b) *Maintains at least \$250,000,000 in capital and surplus when determined in accordance with the Accounting Practices and Procedures Manual adopted by the National Association of Insurance Commissioners, as amended, excluding the impact of any permitted or prescribed practices, and:*

(1) *Is licensed in at least 26 states; or*

(2) *Is licensed in at least 10 states, and licensed or accredited in at least 35 states.*

Sec. 23. NRS 681A.140 is hereby amended to read as follows:

681A.140 As used in NRS 681A.140 to 681A.240, inclusive, *and section 22 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. 24. NRS 683A.060 is hereby amended to read as follows:

683A.060 1. A "managing general agent" is a person who:

(a) Negotiates and binds ceding reinsurance contracts on behalf of an insurer or manages all or part of the insurance business of an insurer, including the management of a separate division, department ~~for~~ or underwriting office; ~~for~~ and

(b) Acts as an agent for the insurer and with or without the authority, either separately or together with affiliates:

(1) Produces, directly or indirectly, and underwrites an amount of gross direct written premiums equal to or more than 5 percent of the policyholder surplus as reported in the last annual statement of the insurer in any one quarter or year; and

(2) Adjusts or pays claims in excess of an amount determined by the Commissioner or negotiates reinsurance on behalf of the insurer.

2. A managing general agent includes a person with authority to appoint and to terminate the appointment of an agent for an insurer.

3. For the purposes of this chapter, the following are not managing general agents:

(a) An employee of the insurer;

(b) A manager of the United States branch of an alien insurer;

(c) An attorney authorized by and acting for the subscribers of a reciprocal insurer or interinsurance exchange; and

(d) An underwriting manager who, pursuant to a contract, manages all or part of the insurance operations of the insurer, is under common control with the insurer, is subject to the provisions of chapter 692C of NRS and whose compensation is not based on the volume of premiums written or the profit of the business written.

Sec. 25. NRS 683A.0892 is hereby amended to read as follows:

683A.0892 1. The Commissioner:

(a) Shall suspend or revoke the certificate of registration of an administrator if the Commissioner has determined, after notice and a hearing, that the administrator:

(1) Is in an unsound financial condition;

(2) Uses methods or practices in the conduct of business that are hazardous or injurious to insured persons or members of the general public; or

(3) Has failed to pay any judgment against the administrator in this State within 60 days after the judgment became final.

(b) May suspend or revoke the certificate of registration of an administrator if the Commissioner determines, after notice and a hearing, that the administrator:

(1) Has ~~willfully~~ knowingly violated or failed to comply with any provision of this Code, any regulation adopted pursuant to this Code or any order of the Commissioner;

(2) Has refused to be examined by the Commissioner or has refused to produce accounts, records or files for examination upon the request of the Commissioner;

(3) Has, without just cause, refused to pay claims or perform services pursuant to the administrator's contracts or has, without just cause, caused persons to accept less than the amount of money owed to them pursuant to the contracts, or has caused persons to employ an attorney or bring a civil action against the administrator to receive full payment or settlement of claims;

(4) Is affiliated with, managed by or owned by another administrator or an insurer who transacts insurance in this State without a certificate of authority or certificate of registration;

(5) Fails to comply with any of the requirements for a certificate of registration;

(6) Has been convicted of, or has entered a plea of guilty, guilty but mentally ill or nolo contendere to, a felony, whether or not adjudication was withheld;

(7) Has had his or her authority to act as an administrator in another state limited, suspended or revoked; or

(8) Has failed to file an annual report in accordance with NRS 683A.08528.

(c) May suspend or revoke the certificate of registration of an administrator if the Commissioner determines, after notice and a hearing, that a responsible person:

(1) Has refused to provide any information relating to the administrator's affairs or refused to perform any other legal obligation relating to an examination upon request by the Commissioner; or

(2) Has been convicted of, or has entered a plea of guilty, guilty but mentally ill or nolo contendere to, a felony committed on or after October 1, 2003, whether or not adjudication was withheld.

(d) May, upon notice to the administrator, suspend the certificate of registration of the administrator pending a hearing if:

(1) The administrator is impaired or insolvent;

(2) A proceeding for receivership, conservatorship or rehabilitation has been commenced against the administrator in any state; or

(3) The financial condition or the business practices of the administrator represent an imminent threat to the public health, safety or welfare of the residents of this State.

(e) May, in addition to or in lieu of the suspension or revocation of the certificate of registration of the administrator, impose a fine of \$2,000 for each act or violation.

2. As used in this section, "responsible person" means any person who is responsible for or controls or is authorized to control or advise the affairs of an administrator, including, without limitation:

(a) A member of the board of directors, board of trustees, executive committee or other governing board or committee of the administrator;

(b) The president, vice president, chief executive officer, chief operating officer or any other principal officer of an administrator, if the administrator is a corporation;

(c) A partner or member of the administrator, if the administrator is a partnership, association or limited-liability company; and

(d) Any shareholder or member of the administrator who directly or indirectly holds 10 percent or more of the voting stock, voting securities or voting interest of the administrator.

Sec. 26. NRS 683A.301 is hereby amended to read as follows:

683A.301 1. An applicant for a license as a producer of insurance or a licensee who desires to use a name other than his or her true name as shown on the license shall submit a request for approval of the name and file with the Commissioner a certified copy of the certificate or any renewal certificate filed pursuant to chapter 602 of NRS. An incorporated applicant or licensee shall file with the Commissioner a document showing the corporation's true name and all fictitious names under which it conducts or intends to conduct business. A licensee shall file promptly with the Commissioner a written notice of any change in or discontinuance of the use of a fictitious name.

2. The Commissioner may disapprove in writing the use of a true name, other than the true name of a natural person who is the applicant or licensee,

or a fictitious name of any applicant or licensee, on any of the following grounds:

(a) The name interferes with or is deceptively similar to a name already filed and in use by another licensee.

(b) Use of the name may mislead the public in any respect.

(c) The name states or implies that the applicant or licensee is an insurer, motor club or hospital service plan or is entitled to engage in activities related to insurance not permitted under the license applied for or held.

(d) The name states or implies that the licensee is an underwriter, but:

(1) A natural person licensed as ~~an agent or broker~~ *a producer of insurance* for life insurance may describe himself or herself as an underwriter or "chartered life underwriter" if entitled to do so;

(2) A natural person licensed for property and casualty insurance may use the designation "chartered property and casualty underwriter" if entitled thereto; and

(3) ~~An insurance agent or brokers~~ *A trade association for producers of insurance* may use a name containing the word "underwriter."

(e) The licensee submits a request to use more than one fictitious name at a single business location.

3. A licensee shall not use a name after written notice from the Commissioner indicates that its use violates the provisions of this section. If the Commissioner determines that the use is justified by mitigating circumstances, the Commissioner may permit, in writing, the use of the name to continue for a specified reasonable period upon conditions imposed by the Commissioner for the protection of the public consistent with this section.

4. Paragraphs (a), (c) and (d) of subsection 2 do not apply to the true name of an organization which on July 1, 1965, held under that name a type of license similar to those governed by this chapter, or to a fictitious name used on July 1, 1965, by a natural person or organization holding such a license, if the fictitious name was filed with the Commissioner on or before July 1, 1965.

Sec. 27. NRS 683C.020 is hereby amended to read as follows:

683C.020 1. Except as otherwise provided in subsection 2, no person may engage in the business of an insurance consultant unless a license has been issued to the person by the Commissioner.

2. An insurance consultant's license is not required for:

(a) An attorney licensed to practice law in this State who is acting in his or her professional capacity;

(b) A licensed ~~insurance agent~~ *producer of insurance*, broker or surplus lines broker;

(c) A trust officer of a bank who is acting in the normal course of his or her employment; or

(d) An actuary or a certified public accountant who provides information, recommendations, advice or services in his or her professional capacity.



3. A person required to be licensed in this State who acts as an insurance consultant without a license is subject to an administrative fine of not more than \$1,000 for each act or violation.

Sec. 28. NRS 684B.030 is hereby amended to read as follows:

684B.030 1. Before the issuance of a motor vehicle physical damage appraiser's license the applicant shall file with the Commissioner, and thereafter maintain in force while so licensed, a surety bond in the amount of \$2,500 in favor of the people of the State of Nevada, executed by an authorized surety insurer approved by the Commissioner, and conditioned for the faithful performance of required duties.

2. The bond shall remain in force until the surety is released from liability by the Commissioner, or until cancelled by the surety. Without prejudice to any prior liability accrued, the surety may cancel the bond upon 30 days' advance written notice filed with the Commissioner.

3. *A motor vehicle physical damage appraiser's license is automatically suspended if the appraiser does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond. A replacement bond must meet all requirements of this section for the initial bond.*

Sec. 29. NRS 685A.150 is hereby amended to read as follows:

685A.150 A licensed surplus lines broker may accept surplus lines business from any ~~{agent or broker}~~ *producer of insurance* licensed in this state for the kind of insurance involved and may compensate the ~~{agent or broker}~~ *producer of insurance* therefor.

Sec. 30. NRS 686A.290 is hereby amended to read as follows:

686A.290 1. ~~{An agent, broker, solicitor,}~~ *A producer of insurance*, examining physician, applicant or other person shall not knowingly or willfully make any false or fraudulent statement or representation in or with reference to any application for insurance.

2. A person who violates this section is guilty of a category D felony and shall be punished as provided in NRS 193.130. In addition to any other penalty, the court shall order the person to pay restitution.

Sec. 31. NRS 686A.350 is hereby amended to read as follows:

686A.350 1. A license to engage in the business of a company is not required of any:

(a) State or federally chartered building association or savings and loan association.

(b) State or federally chartered bank.

(c) State or federally chartered credit union.

(d) Thrift company licensed pursuant to chapter 677 of NRS.

(e) ~~{Insurance agent}~~ *Producer of insurance* financing his or her own accounts.

(f) Insurer authorized to do business in this state financing its own policies or those of an affiliated company.

(g) Business, in addition to those included in paragraphs (a) to (d), inclusive, which is licensed and regulated by the Division of Financial Institutions of the Department of Business and Industry.

2. The provisions of NRS 686A.330 to 686A.520, inclusive, other than those which concern licensing, apply to persons exempt from licensing pursuant to subsection 1.

Sec. 32. NRS 686A.420 is hereby amended to read as follows:

686A.420 1. An agreement executed in this state must be dated and signed by the insured. The printed portion of the agreement must be in not less than 8-point type. The agreement must include:

(a) The name and the address and telephone number of the business of the *producer of insurance* ~~{agent}~~ for the insurance contract to which the agreement relates;

(b) The name and the address of the business or residence of the insured;

(c) The name, address and telephone number of the company to which payments must be made;

(d) A brief description of any insurance policy involved; and

(e) Such other information as may be required by the Commissioner.

2. An agreement must have at its top in type which is more prominent than the text of the agreement, the words "Agreement For Financing Premium" or words of similar meaning. An agreement must contain a notice in type which is more prominent than the text of the agreement which reads as follows:

Notice:

1. Do not sign this agreement before you have read it or if it contains any blank spaces.

2. You are entitled to a copy of this agreement which is complete.

Sec. 33. NRS 686A.680 is hereby amended to read as follows:

686A.680 1. An insurer that uses information from a consumer credit report shall not:

~~{1.}~~ (a) Use an insurance score that is calculated using income, gender, address, zip code, ethnic group, religion, marital status or nationality of the consumer as a factor, or would otherwise lead to unfair or invidious discrimination.

~~{2.}~~ (b) Deny, cancel or fail to renew a policy on the basis of credit information unless the insurer also considers other applicable underwriting factors that are independent of credit information and not expressly prohibited by this section.

~~{3.}~~ (c) Base renewal rates for a policy upon credit information unless the insurer also considers other applicable factors independent of credit information.

~~{4.}~~ (d) Take an adverse action against an applicant or policyholder based on the applicant or policyholder not having a credit card account unless the insurer also considers other applicable factors independent of credit information.

~~{5.}~~ (e) Consider an absence of credit information or an inability to calculate an insurance score in underwriting or rating a policy unless the insurer does any one of the following:

~~{(a)}~~ (1) Treats the applicant or policyholder as otherwise approved by the Commissioner, after the insurer presents to the Commissioner information indicating that such an absence or inability relates to the risk for the insurer.

~~{(b)}~~ (2) Treats the applicant or policyholder as if the applicant or policyholder had neutral credit information, as defined by the insurer.

~~{(c)}~~ (3) Excludes the use of credit information as a factor, and uses only underwriting criteria other than credit information.

~~{6.}~~ (f) Take an adverse action against an applicant or policyholder based on credit information, unless an insurer obtains and uses a consumer credit report issued or an insurance score calculated within 90 days from the date the policy is first written or renewal is issued.

~~{7.—Except as otherwise provided in this subsection, use credit information regarding a policyholder without obtaining an updated consumer credit report regarding the policyholder and recalculating the insurance score at least once every 36 months. At the time of the annual renewal of a policyholder's policy, the insurer shall, upon the request of the policyholder or the policyholder's agent, reunderwrite and rerate the policy based upon a current consumer credit report or insurance score. An insurer need not, at the request of a policyholder or the policyholder's agent, recalculate the insurance score of or obtain an updated consumer credit report of the policyholder more frequently than once in any 12 month period. An insurer may, at its discretion, obtain an updated consumer credit report regarding a policyholder more frequently than once every 36 months, if to do so is consistent with the underwriting guidelines of the insurer. An insurer does not need to obtain an updated consumer credit report for a policyholder if any one of the following applies:~~

~~—(a) The insurer is treating the policyholder as otherwise approved by the Commissioner.~~

~~—(b) The policyholder is in the most favorably priced tier of the insurer and all affiliates of the insurer. With respect to such a policyholder, the insurer may elect to obtain an updated consumer credit report if to do so is consistent with the underwriting guidelines of the insurer.~~

~~—(c) Credit information was not used for underwriting or rating the policyholder when the policy was initially written. The fact that credit information was not used initially does not preclude an insurer from using such information subsequently when underwriting or rating such a policyholder upon renewal, if to do so is consistent with the underwriting guidelines of the insurer.~~

~~—(d) The insurer reevaluates the policyholder at least once every 36 months based upon underwriting or rating factors other than credit information.~~

~~{8.}~~ (g) Use the following as a negative factor in any insurance scoring methodology or in reviewing credit information for the purpose of underwriting or rating a policy:

~~{{(a)}}~~ (1) Credit inquiries not initiated by the applicant or policyholder, or inquiries requested by the applicant or policyholder for his or her own credit information.

~~{{(b)}}~~ (2) Inquiries relating to insurance coverage, if so identified on the consumer credit report.

~~{{(c)}}~~ (3) Collection accounts relating to medical treatment, if so identified on the consumer credit report.

~~{{(d)}}~~ (4) Multiple lender inquiries, if identified on the consumer credit report as being related to home loans or mortgages and made within 30 days of one another, unless only one inquiry is considered.

~~{{(e)}}~~ (5) Multiple lender inquiries, if identified on the consumer credit report as being related to a loan for an automobile and made within 30 days of one another, unless only one inquiry is considered.

2. *Except as otherwise provided in this subsection, at the time of the annual renewal of a policyholder's policy, an insurer that uses information from a consumer credit report shall, upon the request of the policyholder or the policyholder's agent, reunderwrite and rerate the policy based upon a current consumer credit report or insurance score. An insurer need not, at the request of a policyholder or the policyholder's agent, recalculate the insurance score of or obtain an updated consumer credit report of the policyholder more frequently than once in any 12-month period.*

Sec. 34. Chapter 686B of NRS is hereby amended by adding thereto the provisions set forth as sections 35 to 39, inclusive, of this act.

Sec. 35. *"Large-deductible agreement" means any combination of one or more policies, endorsements, contracts or security arrangements, which provide for the policyholder to bear the risk of loss of a specified amount of \$25,000 or more per claim or occurrence covered under a policy of industrial insurance and which may be subject to an aggregate limit of the policyholder's reimbursement obligations.*

Sec. 36. 1. *The Commissioner shall consider each proposed increase or decrease in the rate of a health plan issued pursuant to the provisions of chapter 689A, 689B, 689C, 695B, 695C, 695D or 695F of NRS, including, without limitation, long-term care and Medicare supplement plans, filed with the Commissioner pursuant to subsection 1 of NRS 686B.070. If the Commissioner finds that a proposed increase will result in a rate which is not in compliance with NRS 686B.050 or subsection 3 of NRS 686B.070, the Commissioner shall disapprove the proposal. The Commissioner shall approve or disapprove each proposal not later than 60 days after the proposal is determined by the Commissioner to be complete pursuant to subsection 4. If the Commissioner fails to approve or disapprove the proposal within that period, the proposal shall be deemed approved.*

2. *Whenever an insurer has no legally effective rates as a result of the Commissioner's disapproval of rates or other act, the Commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums*

*be placed in an escrow account approved by the Commissioner. When new rates become legally effective, the Commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.*

*3. If the Commissioner disapproves a proposed rate pursuant to subsection 1, and an insurer requests a hearing to determine the validity of the action of the Commissioner, the insurer has the burden of showing compliance with the applicable standards for rates established in NRS 686B.010 to 686B.1799, inclusive, and sections 35 to 39, inclusive, of this act. Any such hearing must be held:*

*(a) Within 30 days after the request for a hearing has been submitted to the Commissioner; or*

*(b) Within a period agreed upon by the insurer and the Commissioner.*

*➡ If the hearing is not held within the period specified in paragraph (a) or (b), or if the Commissioner fails to issue an order concerning the proposed rate for which the hearing is held within 45 days after the hearing, the proposed rate shall be deemed approved.*

*4. The Commissioner shall by regulation specify the documents or any other information which must be included in a proposal to increase or decrease a rate submitted to the Commissioner pursuant to subsection 1. Each such proposal shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the proposal is filed with the Commissioner, determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection.*

*Sec. 37. This section and sections 38 and 39 of this act apply to any policy of industrial insurance which:*

*1. Is issued by an insurer which:*

*(a) Has a rating of less than "A-" from A.M. Best Company, Inc., or a substantially equivalent rating from another rating agency, as determined by the Commissioner; and*

*(b) Has less than \$200,000,000 in surplus, with surplus calculated as the difference between the insurer's net admitted assets and the insurer's total liabilities;*

*2. Contains a large-deductible agreement;*

*3. Is not issued to a federal, state or local governmental entity; and*

*4. Is issued for delivery or renewed on or after January 1, 2018.*

*Sec. 38. An insurer shall:*

*1. Require full collateralization of the outstanding obligations owed under a large-deductible agreement using one of the following methods:*

*(a) A surety bond issued by a surety insurer authorized to transact such insurance in this State, and whose financial strength and size ratings from A.M. Best Company, Inc., are not less than "A" and "V," respectively, or are substantially equivalent ratings from another rating agency, as determined by the Commissioner;*

(b) *An irrevocable letter of credit issued by a financial institution with an office physically located within this State, and the deposits of which are federally insured; or*

(c) *Cash or securities held in trust by a third party or the insurer and subject to a trust agreement for the express purpose of securing the policyholder's obligation under a large-deductible agreement, provided that if the assets are held by the insurer, those assets may not be commingled with the insurer's other assets; and*

2. *Limit the size of the policyholder's obligations under a large-deductible agreement to 20 percent of the total net worth of the policyholder at the inception of the policy and again at each renewal, as determined by an audited financial statement as of the most recent fiscal year-end for which such a statement is available, with the total net worth of the policyholder calculated as the difference between the total assets and the total liabilities of the policyholder.*

Sec. 39. *Except when otherwise specifically approved by the Commissioner in writing or by electronic communication, any insurer determined to be in a hazardous financial condition pursuant to NRS 680A.205, or the equivalent provisions of law in any other state as determined by the Commissioner, is prohibited from issuing or renewing a policy that includes a large-deductible agreement.*

Sec. 40. NRS 686B.010 is hereby amended to read as follows:

686B.010 1. The Legislature intends that NRS 686B.010 to 686B.1799, inclusive, and sections 35 to 39, inclusive, of this act be liberally construed to achieve the purposes stated in subsection 2, which constitute an aid and guide to interpretation but not an independent source of power.

2. The purposes of NRS 686B.010 to 686B.1799, inclusive, and sections 35 to 39, inclusive, of this act are to:

(a) Protect policyholders and the public against the adverse effects of excessive, inadequate or unfairly discriminatory rates;

(b) Encourage, as the most effective way to produce rates that conform to the standards of paragraph (a), independent action by and reasonable price competition among insurers;

(c) Provide formal regulatory controls for use if independent action and price competition fail;

(d) Authorize cooperative action among insurers in the rate-making process, and to regulate such cooperation in order to prevent practices that tend to bring about monopoly or to lessen or destroy competition;

(e) Encourage the most efficient and economic marketing practices; and

(f) Regulate the business of insurance in a manner that will preclude application of federal antitrust laws.

Sec. 41. NRS 686B.020 is hereby amended to read as follows:

686B.020 As used in NRS 686B.010 to 686B.1799, inclusive, and sections 35 to 39, inclusive, of this act, unless the context otherwise requires:

1. "Advisory organization," except as limited by NRS 686B.1752, means any person or organization which is controlled by or composed of two or more insurers and which engages in activities related to rate making. For the purposes of this subsection, two or more insurers with common ownership or operating in this State under common ownership constitute a single insurer.

An advisory organization does not include:

- (a) A joint underwriting association;
- (b) An actuarial or legal consultant; or
- (c) An employee or manager of an insurer.

2. "Market segment" means any line or kind of insurance or, if it is described in general terms, any subdivision thereof or any class of risks or combination of classes.

3. "Rate service organization" means any person, other than an employee of an insurer, who assists insurers in rate making or filing by:

- (a) Collecting, compiling and furnishing loss or expense statistics;
- (b) Recommending, making or filing rates or supplementary rate information; or
- (c) Advising about rate questions, except as an attorney giving legal advice.

4. "Supplementary rate information" includes any manual or plan of rates, statistical plan, classification, rating schedule, minimum premium, policy fee, rating rule, rule of underwriting relating to rates and any other information prescribed by regulation of the Commissioner.

Sec. 42. NRS 686B.030 is hereby amended to read as follows:

686B.030 1. Except as otherwise provided in subsection 2 and NRS 686B.125, the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 35 to 39, inclusive, of this act* apply to all kinds and lines of direct insurance written on risks or operations in this State by any insurer authorized to do business in this State, except:

- (a) Ocean marine insurance;
- (b) Contracts issued by fraternal benefit societies;
- (c) Life insurance and credit life insurance;
- (d) Variable and fixed annuities;
- (e) Credit accident and health insurance;
- (f) Property insurance for business and commercial risks;
- (g) Casualty insurance for business and commercial risks other than insurance covering the liability of a practitioner licensed pursuant to chapters 630 to 640, inclusive, of NRS;
- (h) Surety insurance;
- (i) Health insurance offered through a group health plan maintained by a large employer; and
- (j) Credit involuntary unemployment insurance.

2. The exclusions set forth in paragraphs (f) and (g) of subsection 1 extend only to issues related to the determination or approval of premium rates.

Sec. 43. NRS 686B.040 is hereby amended to read as follows:

686B.040 1. Except as otherwise provided in subsection 2, the

Commissioner may by rule exempt any person or class of persons or any market segment from any or all of the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 35 to 39, inclusive, of this act*, if and to the extent that the Commissioner finds their application unnecessary to achieve the purposes of those sections.

2. The Commissioner may not, by rule or otherwise, exempt an insurer from the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 35 to 39, inclusive, of this act* with regard to insurance covering the liability of a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS for a breach of the practitioner's professional duty toward a patient.

Sec. 44. NRS 686B.110 is hereby amended to read as follows:

686B.110 1. ~~[The]~~ *Except as otherwise provided in section 36 of this act,* the Commissioner shall consider each proposed increase or decrease in the rate of any kind or line of insurance or subdivision thereof filed with the Commissioner pursuant to subsection 1 of NRS 686B.070. If the Commissioner finds that a proposed increase will result in a rate which is not in compliance with NRS 686B.050 or subsection 3 of NRS 686B.070, the Commissioner shall disapprove the proposal. The Commissioner shall approve or disapprove each proposal no later than 30 days after it is determined by the Commissioner to be complete pursuant to subsection 6. If the Commissioner fails to approve or disapprove the proposal within that period, the proposal shall be deemed approved.

2. If the Commissioner disapproves a proposed increase or decrease in any rate pursuant to subsection 1, the Commissioner shall send a written notice of disapproval to the insurer or the rate service organization that filed the proposal. The notice must set forth the reasons the proposal is not in compliance with NRS 686B.050 or subsection 3 of NRS 686B.070 and must be sent to the insurer or the rate service organization not more than 30 days after the Commissioner determines that the proposal is complete pursuant to subsection 6.

3. Upon receipt of a written notice of disapproval from the Commissioner pursuant to subsection 2 or 6, the insurer or rate service organization may request that the Commissioner reconsider the proposed increase or decrease. The request for reconsideration must be received by the Commissioner not more than 30 days after the insurer or rate service organization receives the written notice of disapproval from the Commissioner, except that if the insurer or rate service organization requests, in writing, an extension of 30 additional days in which to request a reconsideration, the Commissioner shall grant the extension. A request for reconsideration submitted pursuant to this subsection may include, without limitation, any documents or other information for review by the Commissioner in reconsidering the proposal. The Commissioner shall approve or disapprove the proposal upon reconsideration not later than 30 days after receipt of the request for reconsideration and shall notify the insurer or rate service organization of his or her approval or disapproval.



4. Whenever an insurer has no legally effective rates as a result of the Commissioner's disapproval of rates or other act, the Commissioner shall on request specify interim rates for the insurer that are high enough to protect the interests of all parties and may order that a specified portion of the premiums be placed in an escrow account approved by the Commissioner. When new rates become legally effective, the Commissioner shall order the escrowed funds or any overcharge in the interim rates to be distributed appropriately, except that refunds to policyholders that are de minimis must not be required.

5. If the Commissioner disapproves a proposed rate pursuant to subsection 1 ~~or~~ or subsection 6 or upon reconsideration pursuant to subsection 3, and an insurer requests a hearing to determine the validity of the action of the Commissioner, the insurer has the burden of showing compliance with the applicable standards for rates established in NRS 686B.010 to 686B.1799, inclusive ~~or~~, and sections 35 to 39, inclusive, of this act. Any such hearing must be held:

(a) Within 30 days after the request for a hearing has been submitted to the Commissioner; or

(b) Within a period agreed upon by the insurer and the Commissioner.

➔ If the hearing is not held within the period specified in paragraph (a) or (b), or if the Commissioner fails to issue an order concerning the proposed rate for which the hearing is held within 45 days after the hearing, the proposed rate shall be deemed approved.

6. The Commissioner shall by regulation specify the documents or any other information which must be included in a proposal to increase or decrease a rate submitted to the Commissioner pursuant to subsection 1. Each such proposal shall be deemed complete upon its filing with the Commissioner, unless the Commissioner, within 15 business days after the proposal is filed with the Commissioner, determines that the proposal is incomplete because the proposal does not comply with the regulations adopted by the Commissioner pursuant to this subsection. The Commissioner shall notify the insurer or rate service organization if the Commissioner determines that the proposal is incomplete. The notice must be sent within 15 business days after the proposal is filed with the Commissioner and must set forth the documents or other information that is required to complete the proposal. The Commissioner may disapprove the proposal if the insurer or rate service organization fails to provide the documents or other information to the Commissioner within 30 days after the insurer or rate service organization receives the notice that the proposal is incomplete. If the Commissioner disapproves the proposal pursuant to this subsection, the Commissioner shall notify the insurer or rate service organization of that fact in writing.

Sec. 45. NRS 686B.115 is hereby amended to read as follows:

686B.115 1. Any hearing held by the Commissioner to determine whether rates comply with the provisions of NRS 686B.010 to 686B.1799, inclusive, and sections 35 to 39, inclusive, of this act must be open to members of the public.

2. All costs for transcripts prepared pursuant to such a hearing must be paid by the insurer requesting the hearing.

3. At any hearing which is held by the Commissioner to determine whether rates comply with the provisions of NRS 686B.010 to 686B.1799, inclusive, *and sections 35 to 39, inclusive, of this act*, and which involves rates for insurance covering the liability of a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS for a breach of the practitioner's professional duty toward a patient, if a person is not otherwise authorized pursuant to this title to become a party to the hearing by intervention, the person is entitled to provide testimony at the hearing if, not later than 2 days before the date set for the hearing, the person files with the Commissioner a written statement which states:

- (a) The name and title of the person;
- (b) The interest of the person in the hearing; and
- (c) A brief summary describing the purpose of the testimony the person will offer at the hearing.

4. If a person provides testimony at a hearing in accordance with subsection 3:

(a) The Commissioner may, if the Commissioner finds it necessary to preserve order, prevent inordinate delay or protect the rights of the parties at the hearing, place reasonable limitations on the duration of the testimony and prohibit the person from providing testimony that is not relevant to the issues raised at the hearing.

(b) The Commissioner shall consider all relevant testimony provided by the person at the hearing in determining whether the rates comply with the provisions of NRS 686B.010 to 686B.1799, inclusive ~~and~~ *and sections 35 to 39, inclusive, of this act*.

Sec. 46. NRS 686B.1751 is hereby amended to read as follows:

686B.1751 As used in NRS 686B.1751 to 686B.1799, inclusive, *and sections 35, 37, 38 and 39 of this act*, unless the context otherwise requires, the words and terms defined in NRS 686B.1752 to 686B.1762, inclusive, *and section 35 of this act* have the meanings ascribed to them in those sections.

Sec. 47. NRS 686B.1763 is hereby amended to read as follows:

686B.1763 1. NRS 686B.1751 to 686B.1799, inclusive, *and sections 35, 37, 38 and 39 of this act*, apply to insurers providing industrial insurance and to the Advisory Organization designated by the Commissioner. The Commissioner shall administer the provisions of these sections.

2. These provisions apply to all industrial insurance issued in this state except reinsurance.

Sec. 48. NRS 686B.1789 is hereby amended to read as follows:

686B.1789 A hearing required by any of the provisions of NRS 686B.1751 to 686B.1799, inclusive, *and sections 35, 37, 38 and 39 of this act*, is governed by NRS 679B.310 to 679B.370, inclusive, except that any limits of time imposed by NRS 686B.1751 to 686B.1799, inclusive, *and sections 35, 37, 38 and 39 of this act*, control.

Sec. 49. NRS 686B.1793 is hereby amended to read as follows:

686B.1793 1. An insurer or other person who violates any provision of NRS 686B.1751 to 686B.1799, inclusive, *and sections 35, 37, 38 and 39 of this act*, shall, upon the order of the Commissioner, pay an administrative fine not to exceed \$1,000 for each violation and not to exceed \$10,000 for each willful violation. These administrative fines are in addition to any other penalty provided by law. Any insurer using a rate before it has been filed with the Commissioner as required by NRS 686B.1775, shall be deemed to have committed a separate violation for each day the insurer failed to file the rate.

2. The Commissioner may suspend or revoke the license of any advisory organization or insurer who fails to comply with an order within the time specified by the Commissioner or any extension of that time made by the Commissioner. Any suspension of a license is effective for the time stated by the Commissioner in his or her order or until the order is modified, rescinded or reversed.

3. The Commissioner, by written order, may impose a penalty or suspend a license pursuant to this section only after written notice to the insurer, organization or plan for apportioned risks and a hearing.

Sec. 50. Chapter 687B of NRS is hereby amended by adding thereto the provisions set forth as sections 51 to 85, inclusive, of this act.

Sec. 51. *As used in sections 51 to 85, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 52 to 64, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 52. *"Covered person" means a policyholder, subscriber, enrollee or other person participating in a network plan.*

Sec. 53. *"Evidence of coverage" means any certificate, agreement or contract issued to a covered person by a health carrier setting forth the coverage to which the covered person is entitled pursuant to a network plan.*

Sec. 54. *"Health benefit plan" has the meaning ascribed to it in NRS 695G.019.*

Sec. 55. *"Health care services" has the meaning ascribed to it in NRS 695G.022.*

Sec. 56. *"Health carrier" has the meaning ascribed to it in NRS 695G.024.*

Sec. 57. *"Intermediary" means a person authorized to negotiate and execute a contract between a provider of health care and a health carrier entered into for the purposes of a network plan, whether the person acts on behalf of the provider of health care or the health carrier.*

Sec. 58. *"Medically necessary" has the meaning ascribed to it in NRS 695G.055.*

Sec. 59. *"Network" means a defined set of providers of health care who are under contract with a health carrier to provide health care services pursuant to a network plan offered or issued by the health carrier.*

Sec. 60. *"Network plan" means a health benefit plan offered or issued by a health carrier under which the financing and delivery of health care services,*

*including, without limitation, items and services paid for as health care services, are provided, in whole or in part, through a defined set of providers of health care under contract with the health carrier. The term does not include an arrangement for the financing of premiums.*

Sec. 61. *"Participating provider of health care" means a provider of health care who, under a contract with a health carrier, has agreed to provide health care services to covered persons pursuant to a network plan with an expectation of receiving payment, other than coinsurance, copayments or deductibles, directly or indirectly from the health carrier.*

Sec. 62. *"Primary care physician" has the meaning ascribed to it in NRS 695G.060.*

Sec. 63. *"Provider of health care" has the meaning ascribed to it in NRS 695G.070.*

Sec. 64. *"Utilization review" has the meaning ascribed to it in NRS 695G.080.*

Sec. 65. *If a health carrier offers or issues a network plan, the health carrier shall, with regard to that network plan:*

1. *Comply with all applicable requirements set forth in sections 51 to 85, inclusive, of this act;*

2. *As applicable, ensure that each contract entered into for the purposes of the network plan between a participating provider of health care and the health carrier complies with the requirements set forth in sections 51 to 85, inclusive, of this act; and*

3. *As applicable, ensure that the network plan complies with the requirements set forth in sections 51 to 85, inclusive, of this act.*

Sec. 66. *A health carrier which offers or issues a network plan shall, with regard to that network plan, establish a mechanism by which each participating provider of health care in the network will be notified on an ongoing basis of the specific health care services which are covered by the network plan and for which the participating provider of health care will be responsible, including, without limitation, any restrictions or conditions on the health care services.*

Sec. 67. *Each contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must include, without limitation, a provision which is substantially similar to the following:*

*Provider of health care agrees that in no event, including but not limited to, nonpayment by the health carrier or intermediary, insolvency of the health carrier or intermediary or breach of this agreement, shall the provider of health care bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against, a covered person or a person (other than the health carrier or intermediary) acting on behalf of the covered person for health care services provided pursuant to this agreement. This agreement does not prohibit the provider of health*

*care from collecting coinsurance, deductibles or copayments, as specifically provided in the evidence of coverage, or fees for uncovered services delivered on a fee-for-service basis to covered persons. This agreement does not prohibit a provider of health care (except for a provider of health care who is employed full-time on the staff of the health carrier and has agreed to provide health care services exclusively to the health carrier's covered persons and no others) and a covered person from agreeing to continue health care services solely at the expense of the covered person, as long as the provider of health care has clearly informed the covered person that the health carrier may not cover or continue to cover a specific health care service or health care services. Except as provided herein, this agreement does not prohibit the provider of health care from pursuing any available legal remedy.*

*Sec. 68. Each contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must provide that in the event of the insolvency of the health carrier or any applicable intermediary, or in the event of any other cessation of operations of the health carrier or intermediary, the participating provider of health care must continue to deliver health care services covered by the network plan to a covered person without billing the covered person for any amount other than coinsurance, deductibles or copayments, as specifically provided in the evidence of coverage, until the earlier of:*

*1. The date of the cancellation of the covered person's coverage under the network plan pursuant to NRS 687B.310, including, without limitation, any extension of coverage provided pursuant to:*

*(a) The terms of the contract between the covered person and the health carrier;*

*(b) NRS 689A.04036, 689B.0303, 695B.1901, 695C.1691 and 695G.164, as applicable; or*

*(c) Any applicable federal law for covered persons who are in an active course of treatment or totally disabled; or*

*2. The date on which the contract between the health carrier and the provider of health care would have terminated if the health carrier or intermediary, as applicable, had remained in operation, including, without limitation, any extension of coverage provided pursuant to:*

*(a) The terms of the contract between the covered person and the health carrier;*

*(b) NRS 689A.04036, 689B.0303, 695B.1901, 695C.1691 and 695G.164, as applicable; or*

*(c) Any applicable federal law for covered persons who are in an active course of treatment or totally disabled.*

*Sec. 69. The provisions included in a contract to comply with the requirements set forth in sections 67 and 68 of this act shall be construed in favor of the covered person, shall survive the termination of the contract*

*regardless of the reason for the termination, including, without limitation, the insolvency of the health carrier or any applicable intermediary, and shall supersede any oral or written contrary agreement between a participating provider of health care and a covered person or the representative of a covered person if the contrary agreement is inconsistent with provisions included in the contract to comply with the requirements set forth in sections 67 and 68 of this act.*

*Sec. 70. Each contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must provide that written notice must be provided to the participating provider of health care as soon as practicable in the event:*

*1. That a court determined the health carrier or any applicable intermediary to be insolvent; or*

*2. Of any other cessation of operations of the health carrier or any applicable intermediary.*

*Sec. 71. A health carrier which offers or issues a network plan shall notify each participating provider of health care in the network of the responsibilities of the participating provider of health care with respect to any applicable administrative policies and programs of the health carrier including, without limitation, any applicable administrative policies and programs concerning:*

*1. Terms of payment;*

*2. Utilization review;*

*3. Quality assessment and improvement;*

*4. Credentialing;*

*5. Procedures for grievances and appeals;*

*6. Requirements for data reporting;*

*7. Requirements for timely notice to the health carrier of changes in the practices of the participating provider of health care, such as discontinuance of accepting new patients;*

*8. Requirements for confidentiality; and*

*9. Any applicable federal or state programs.*

*Sec. 72. A health carrier which offers or issues a network plan shall not offer an inducement to a participating provider of health care in the network that would encourage or otherwise incent the participating provider of health care to deliver health care services to a covered person which are less than those which are medically necessary.*

*Sec. 73. A health carrier which offers or issues a network plan shall not prohibit a participating provider of health care in the network from:*

*1. Discussing any specific treatment option or all treatment options with a covered person irrespective of the position of the health carrier on the treatment options;*

*2. Advocating on behalf of a covered person within any utilization review process or any process for grievances or appeals established by the health carrier or a person contracting with the health carrier; or*

3. *Advocating on behalf of a covered person in accordance with any rights or remedies available under applicable state or federal law.*

Sec. 74. *Each contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must require the participating provider of health care to make health records available to appropriate state and federal authorities involved in assessing the quality of care or investigating the grievances or complaints of covered persons, and to comply with the applicable state and federal laws related to the confidentiality of medical and health records and the covered person's right to see, obtain copies of or amend their medical and health records.*

Sec. 75. (Deleted by amendment.)

Sec. 76. (Deleted by amendment.)

Sec. 77. *Each contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must prohibit the health carrier and the participating provider of health care from assigning or delegating the rights and responsibilities of either party under the contract without the prior written consent of the other party.*

Sec. 78. 1. *A health carrier which offers or issues a network plan shall ensure that participating providers of health care in the network are responsible for furnishing covered services to all covered persons without regard to the participation of the covered person in the network plan as a private purchaser of the network plan or as a participant in a publicly financed program of health care services.*

2. *This section does not apply to circumstances when the participating provider of health care should not render services due to limitations arising from a lack of training, experience or skill or licensing restrictions.*

Sec. 79. *A health carrier which offers or issues a network plan shall notify the participating providers of health care in the network of his or her obligations, if any, to collect applicable coinsurance, copayments or deductibles from a covered person pursuant to the evidence of coverage, or of the obligations, if any, of the participating provider of health care to notify a covered person of the personal financial obligations of the covered person for health care services that are not covered.*

Sec. 80. *A health carrier which offers or issues a network plan shall not penalize a participating provider of health care in the network because the participating provider of health care, in good faith, reports to state or federal authorities any act or practice by the health carrier that jeopardizes the health or welfare of a covered person.*

Sec. 81. *A health carrier which offers or issues a network plan shall establish a mechanism by which a participating provider of health care in the network may, in a timely manner at the time health care services are to be provided, determine whether the person to whom the health care services are to be provided is a covered person or is within a grace period for the payment of a premium during which the health carrier may hold a claim for health care services pending receipt of the payment of the premium.*

Sec. 82. *A health carrier which offers or issues a network plan shall establish procedures for the resolution of administrative, payment or other disputes between a participating provider of health care in the network and the health carrier.*

Sec. 83. 1. *A contract entered into for the purposes of a network plan between a participating provider of health care and the health carrier must not contain a provision that conflicts with any provision in the network plan or any requirement set forth in sections 51 to 85, inclusive, of this act.*

2. *At the time a participating provider of health care signs a contract described in subsection 1, the health carrier and, if applicable, the intermediary shall notify the participating provider of health care of all provisions of the contract and all documents incorporated by reference in the contract.*

3. *While a contract described in subsection 1 is in force, the health carrier shall provide timely notice to the participating provider of health care of any changes to the provisions of the contract or the documents incorporated by reference in the contract that would result in a material change in the contract.*

4. *For the purposes of subsection 3, the contract must define what is to be considered timely notice and what is to be considered a material change.*

Sec. 84. *A health carrier which offers or issues a network plan shall inform a participating provider of health care with whom the health carrier has contracted for the purposes of the network plan of the status of the participating provider of health care as a provider of health care in the network plan and the status and inclusion of the participating provider of health care on any list of providers of health care maintained by the health carrier. The health carrier shall provide in a timely manner the information required by this section to the participating provider of health care:*

1. *Upon the request of the participating provider of health care; and*
2. *Upon any change to the status or inclusion of the participating provider of health care as described in this section.*

Sec. 85. *The Commissioner may adopt any regulations necessary to carry out the purposes and provisions of sections 51 to 85, inclusive, of this act.*

Sec. 86. NRS 687B.385 is hereby amended to read as follows:

687B.385 An insurer shall not *refuse to issue*, cancel, refuse to renew or increase the premium for renewal of a policy of motor vehicle insurance covering private passenger cars or commercial vehicles as a result of any ~~claims~~:

1. *Claims made under ~~the~~ any policy of insurance with respect to which the insured was not at fault ~~[-]~~;*

2. *Claims made under any policy of insurance for which the insurer has not made any payment or for which the insurer recovered the entirety of the insurer's payment on the claim by means of salvage, subrogation or another mechanism; or*

3. *Inquiries made regarding an actual or potential claim under any policy of insurance regarding:*



- (a) *The existence of insurance coverage for any matter; or*
- (b) *Any hypothetical or informational matter pertaining to insurance.*

Sec. 87. NRS 687B.470 is hereby amended to read as follows:

687B.470 1. ~~["Health"]~~ As used in NRS 687B.470 to 687B.500, inclusive, "health benefit plan" means a policy, contract, certificate or agreement offered by a carrier to provide for, deliver payment for, arrange for the payment of, pay for or reimburse any of the costs of health care services. Except as otherwise provided in this section, the term includes catastrophic health insurance policies and a policy that pays on a cost-incurred basis.

2. The term does not include:

- (a) Coverage that is only for accident or disability income insurance, or any combination thereof;
- (b) Coverage issued as a supplement to liability insurance;
- (c) Liability insurance, including general liability insurance and automobile liability insurance;
- (d) Workers' compensation or similar insurance;
- (e) Coverage for medical payments under a policy of automobile insurance;
- (f) Credit insurance;
- (g) Coverage for on-site medical clinics;
- (h) Other similar insurance coverage specified pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, under which benefits for medical care are secondary or incidental to other insurance benefits;
- (i) Coverage under a short-term health insurance policy; and
- (j) Coverage under a blanket student accident and health insurance policy.

3. The term does not include the following benefits if the benefits are provided under a separate policy, certificate or contract of insurance or are otherwise not an integral part of a health benefit plan:

- (a) Limited-scope dental or vision benefits;
- (b) Benefits for long-term care, nursing home care, home health care or community-based care, or any combination thereof; and
- (c) Such other similar benefits as are specified in any federal regulations adopted pursuant to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

4. The term does not include the following benefits if the benefits are provided under a separate policy, certificate or contract, there is no coordination between the provisions of the benefits and any exclusion of benefits under any group health plan maintained by the same plan sponsor, and the benefits are paid for a claim without regard to whether benefits are provided for such a claim under any group health plan maintained by the same plan sponsor:

- (a) Coverage that is only for a specified disease or illness; and
- (b) Hospital indemnity or other fixed indemnity insurance.

5. The term does not include any of the following, if offered as a separate policy, certificate or contract of insurance:

(a) Medicare supplemental health insurance as defined in section 1882(g)(1) of the Social Security Act, 42 U.S.C. § 1395ss, as that section existed on July 16, 1997;

(b) Coverage supplemental to the coverage provided pursuant to the Civilian Health and Medical Program of Uniformed Services, CHAMPUS, 10 U.S.C. §§ 1071 et seq.; and

(c) Similar supplemental coverage provided under a group health plan.

Sec. 88. NRS 687B.490 is hereby amended to read as follows:

687B.490 1. A carrier that offers coverage in the *small employer* group or individual market must, before making any network plan available for sale in this State, demonstrate the capacity to deliver services adequately by applying to the Commissioner for the issuance of a network plan and submitting a description of the procedures and programs to be implemented to meet the requirements described in subsection 2.

2. The Commissioner shall determine, within 90 days after receipt of the application required pursuant to subsection 1, if the carrier, with respect to the network plan:

(a) Has demonstrated the willingness and ability to ensure that health care services will be provided in a manner to ensure both availability and accessibility of adequate personnel and facilities in a manner that enhances availability, accessibility and continuity of service;

(b) Has organizational arrangements established in accordance with regulations promulgated by the Commissioner; and

(c) Has a procedure established in accordance with regulations promulgated by the Commissioner to develop, compile, evaluate and report statistics relating to the cost of its operations, the pattern of utilization of its services, the availability and accessibility of its services and such other matters as may be reasonably required by the Commissioner.

3. The Commissioner may certify that the carrier and the network plan meet the requirements of subsection 2, or may determine that the carrier and the network plan do not meet such requirements. Upon a determination that the carrier and the network plan do not meet the requirements of subsection 2, the Commissioner shall specify in what respects the carrier and the network plan are deficient.

4. A carrier approved to issue a network plan pursuant to this section must file annually with the Commissioner a summary of information compiled pursuant to subsection 2 in a manner determined by the Commissioner.

5. The Commissioner shall, not less than once each year, or more often if deemed necessary by the Commissioner for the protection of the interests of the people of this State, make a determination concerning the availability and accessibility of the health care services of any network plan approved pursuant to this section.

6. The expense of any determination made by the Commissioner pursuant to this section must be assessed against the carrier and remitted to the Commissioner.

7. When making any determination concerning the availability and accessibility of the services of any network plan or proposed network plan pursuant to this section, the Commissioner shall consider services that may be provided through telehealth, as defined in NRS 629.515, pursuant to the network plan or proposed network plan to be available services.

8. As used in this section ~~[-"network"]~~ :

(a) "Network plan" has the meaning ascribed to it in NRS 689B.570.

(b) "Small employer" has the meaning ascribed to it in NRS 689C.095.

Sec. 89. NRS 687B.500 is hereby amended to read as follows:

687B.500 1. The premium rate charged by a health insurer for health benefit plans offered in the individual or small *employer* group market may vary with respect to the particular plan or coverage involved based solely on these characteristics:

(a) Whether the plan or coverage applies to an individual or a family;

(b) Geographic rating area;

(c) Tobacco use, except that the rate shall not vary by a ratio of more than 1.5 to 1 for like individuals who vary in tobacco use; and

(d) Age, except that the rate must not vary by a ratio of more than 3 to 1 for like individuals of different age who are age 21 years or older and that the variation in rate must be actuarially justified for individuals who are under the age of 21 years, consistent with the uniform age rating curve established in the Federal Act. For the purpose of identifying the appropriate age adjustment under this paragraph and the age band defined in the Federal Act to a specific enrollee, the enrollee's age as of the date of policy issuance or renewal must be used.

2. The provisions of subsection 1:

(a) Apply to a fraternal benefit society organized under chapter 695A of NRS; and

(b) Do not apply to grandfathered plans.

3. As used in this section, "small employer" has the meaning ascribed to it in NRS 689C.095.

Sec. 90. NRS 689.185 is hereby amended to read as follows:

689.185 1. Except as otherwise provided in subsection 2:

(a) Before the issuance of a certificate of authority, the seller shall post with the Commissioner and thereafter maintain in force a bond in the principal sum of \$50,000 issued by an authorized corporate surety in favor of the State of Nevada, or a deposit of cash or negotiable securities or a combination of cash and negotiable securities. If a deposit is made in lieu of a bond, the deposit must at all times have a market value of not less than the amount of the bond required by the Commissioner.

(b) The bond or deposit must be held for the benefit of buyers of prepaid contracts, and other persons as their interests may appear, who may be damaged by misuse or diversion of money by the seller or the agents of the seller, or to satisfy any judgments against the seller for failure to perform a prepaid contract. The aggregate liability of the surety for all breaches of the

conditions of the bond must not exceed the sum of the bond. The surety on the bond has the right to cancel the bond upon giving 30 days' notice to the Commissioner and thereafter is relieved of liability for any breach of condition occurring after the effective date of the cancellation.

(c) *A certificate of authority issued to a seller is automatically suspended if the seller does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond. A replacement bond must meet all requirements of this subsection for the initial bond.*

(d) The Commissioner shall release the bond or deposit after the seller has ceased doing business as such and the Commissioner is satisfied of the nonexistence of any obligation or liability of the seller for which the bond or deposit was held.

2. The Commissioner may waive the requirements of subsection 1 if the seller agrees:

(a) To offer for sale only prepaid contracts that are payable solely from the proceeds of a policy of life insurance; and

(b) Not to collect any money from the purchaser of a prepaid contract.

Sec. 91. NRS 689.495 is hereby amended to read as follows:

689.495 1. Except as otherwise provided in subsection 2:

(a) Before the issuance of a permit to a seller, the seller shall post with the Commissioner and thereafter maintain in force a bond in the principal sum of \$50,000 issued by an authorized corporate surety in favor of the State of Nevada, or a deposit of cash or negotiable securities or a combination of cash and negotiable securities. If a deposit is made in lieu of a bond, the deposit must at all times have a market value not less than the amount of the bond required by the Commissioner.

(b) The bond or deposit must be held for the benefit of buyers of prepaid contracts, and other persons as their interests may appear, who may be damaged by misuse or diversion of money by the seller or the agents of the seller, or to satisfy any judgments against the seller for failure to perform a prepaid contract. The aggregate liability of the surety for all breaches of the conditions of the bond must not exceed the sum of the bond. The surety on the bond has the right to cancel the bond upon giving 30 days' notice to the Commissioner and thereafter is relieved of liability for any breach of condition occurring after the effective date of the cancellation.

(c) *A permit issued to a seller is automatically suspended if the seller does not file with the Commissioner a replacement bond before the date of cancellation of the previous bond. A replacement bond must meet all requirements of this subsection for the initial bond.*

(d) The Commissioner shall release the bond or deposit after the seller has ceased doing business as such and the Commissioner is satisfied of the nonexistence of any obligation or liability of the seller for which the bond or deposit was held.

2. The Commissioner may waive the requirements of subsection 1 if the seller agrees:

(a) To offer for sale only prepaid contracts that are payable solely from the proceeds of a policy of life insurance; and

(b) Not to collect any money from the purchaser of a prepaid contract.

Sec. 92. Chapter 689A of NRS is hereby amended by adding thereto a new section to read as follows:

1. *An individual carrier shall make the unified rate review template and rate filing documentation used by the individual carrier and any information and documents described in any regulations adopted pursuant to 689A.700 available to the Commissioner upon request. Except in cases of violations of the provisions of this chapter, the unified rate review template and rate filing documentation used by an individual carrier are considered proprietary, constitute a trade secret and are not subject to disclosure by the Commissioner to persons outside of the Division except as agreed to by the individual carrier or as ordered by a court of competent jurisdiction.*

2. *As used in this section, "rate filing documentation" and "unified rate review template" have the meanings ascribed to them in 45 C.F.R. § 154.215.*

Sec. 93. NRS 689A.020 is hereby amended to read as follows:

689A.020 Nothing in this chapter applies to or affects:

1. Any policy of liability or workers' compensation insurance with or without supplementary expense coverage therein.

2. Any group or blanket policy.

3. Life insurance, endowment or annuity contracts, or contracts supplemental thereto which contain only such provisions relating to health insurance as to:

(a) Provide additional benefits in case of death or dismemberment or loss of sight by accident or accidental means; or

(b) Operate to safeguard such contracts against lapse, or to give a special surrender value or special benefit or an annuity if the insured or annuitant becomes totally and permanently disabled, as defined by the contract or supplemental contract.

4. Reinsurance, except as otherwise provided in NRS 689A.470 to 689A.740, inclusive, *and section 92 of this act*, and 689C.610 to 689C.940, inclusive, relating to the program of reinsurance.

Sec. 94. NRS 689A.04033 is hereby amended to read as follows:

689A.04033 1. A policy of health insurance must provide coverage for medical treatment which a policyholder or subscriber receives as part of a clinical trial or study if:

(a) The medical treatment is provided in a Phase I, Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or in a Phase II, Phase III or Phase IV study or clinical trial for the treatment of chronic fatigue syndrome;

(b) The clinical trial or study is approved by:

(1) An agency of the National Institutes of Health as set forth in 42 U.S.C. § 281(b);

(2) A cooperative group;

(3) The Food and Drug Administration as an application for a new investigational drug;

(4) The United States Department of Veterans Affairs; or

(5) The United States Department of Defense;

(c) In the case of:

(1) A Phase I clinical trial or study for the treatment of cancer, the medical treatment is provided at a facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer; or

(2) A Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or chronic fatigue syndrome, the medical treatment is provided by a provider of health care and the facility and personnel for the clinical trial or study have the experience and training to provide the treatment in a capable manner;

(d) There is no medical treatment available which is considered a more appropriate alternative medical treatment than the medical treatment provided in the clinical trial or study;

(e) There is a reasonable expectation based on clinical data that the medical treatment provided in the clinical trial or study will be at least as effective as any other medical treatment;

(f) The clinical trial or study is conducted in this State; and

(g) The policyholder or subscriber has signed, before participating in the clinical trial or study, a statement of consent indicating that the policyholder or subscriber has been informed of, without limitation:

(1) The procedure to be undertaken;

(2) Alternative methods of treatment; and

(3) The risks associated with participation in the clinical trial or study, including, without limitation, the general nature and extent of such risks.

2. Except as otherwise provided in subsection 3, the coverage for medical treatment required by this section is limited to:

(a) Coverage for any drug or device that is approved for sale by the Food and Drug Administration without regard to whether the approved drug or device has been approved for use in the medical treatment of the policyholder or subscriber.

(b) The cost of any reasonably necessary health care services that are required as a result of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study or as a result of any complication arising out of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study, to the extent that such health care services would otherwise be covered under the policy of health insurance.

(c) The cost of any routine health care services that would otherwise be covered under the policy of health insurance for a policyholder or subscriber participating in a Phase I clinical trial or study.

(d) The initial consultation to determine whether the policyholder or subscriber is eligible to participate in the clinical trial or study.

(e) Health care services required for the clinically appropriate monitoring of the policyholder or subscriber during a Phase II, Phase III or Phase IV clinical trial or study.

(f) Health care services which are required for the clinically appropriate monitoring of the policyholder or subscriber during a Phase I clinical trial or study and which are not directly related to the clinical trial or study.

➔ Except as otherwise provided in NRS 689A.04036, the services provided pursuant to paragraphs (b), (c), (e) and (f) must be covered only if the services are provided by a provider with whom the insurer has contracted for such services. If the insurer has not contracted for the provision of such services, the insurer shall pay the provider the rate of reimbursement that is paid to other providers with whom the insurer has contracted for similar services and the provider shall accept that rate of reimbursement as payment in full.

3. Particular medical treatment described in subsection 2 and provided to a policyholder or subscriber is not required to be covered pursuant to this section if that particular medical treatment is provided by the sponsor of the clinical trial or study free of charge to the policyholder or subscriber.

4. The coverage for medical treatment required by this section does not include:

(a) Any portion of the clinical trial or study that is customarily paid for by a government or a biotechnical, pharmaceutical or medical industry.

(b) Coverage for a drug or device described in paragraph (a) of subsection 2 which is paid for by the manufacturer, distributor or provider of the drug or device.

(c) Health care services that are specifically excluded from coverage under the policyholder's or subscriber's policy of health insurance, regardless of whether such services are provided under the clinical trial or study.

(d) Health care services that are customarily provided by the sponsors of the clinical trial or study free of charge to the participants in the trial or study.

(e) Extraneous expenses related to participation in the clinical trial or study including, without limitation, travel, housing and other expenses that a participant may incur.

(f) Any expenses incurred by a person who accompanies the policyholder or subscriber during the clinical trial or study.

(g) Any item or service that is provided solely to satisfy a need or desire for data collection or analysis that is not directly related to the clinical management of the policyholder or subscriber.

(h) Any costs for the management of research relating to the clinical trial or study.

5. An insurer who delivers or issues for delivery a policy of health insurance specified in subsection 1 may require copies of the approval or certification issued pursuant to paragraph (b) of subsection 1, the statement of consent signed by the policyholder or subscriber, protocols for the clinical trial or study and any other materials related to the scope of the clinical trial or study relevant to the coverage of medical treatment pursuant to this section.

6. An insurer who delivers or issues for delivery a policy specified in subsection 1 shall:

(a) Include in ~~the~~ any disclosure ~~[required pursuant to NRS 689A.390]~~ of the coverage provided by the policy notice to each policyholder and subscriber under the policy of the availability of the benefits required by this section.

(b) Provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the policy.

7. A policy of health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2006, has the legal effect of including the coverage required by this section, and any provision of the policy that conflicts with this section is void.

8. An insurer who delivers or issues for delivery a policy specified in subsection 1 is immune from liability for:

(a) Any injury to a policyholder or subscriber caused by:

(1) Any medical treatment provided to the policyholder or subscriber in connection with his or her participation in a clinical trial or study described in this section; or

(2) An act or omission by a provider of health care who provides medical treatment or supervises the provision of medical treatment to the policyholder or subscriber in connection with his or her participation in a clinical trial or study described in this section.

(b) Any adverse or unanticipated outcome arising out of a policyholder's or subscriber's participation in a clinical trial or study described in this section.

9. As used in this section:

(a) "Cooperative group" means a network of facilities that collaborate on research projects and has established a peer review program approved by the National Institutes of Health. The term includes:

(1) The Clinical Trials Cooperative Group Program; and

(2) The Community Clinical Oncology Program.

(b) "Facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer" means a facility or an affiliate of a facility that:

(1) Has in place a Phase I program which permits only selective participation in the program and which uses clear-cut criteria to determine eligibility for participation in the program;

(2) Operates a protocol review and monitoring system which conforms to the standards set forth in the "Policies and Guidelines Relating to the Cancer Center Support Grant" published by the Cancer Centers Branch of the National Cancer Institute;

(3) Employs at least two researchers and at least one of those researchers receives funding from a federal grant;

(4) Employs at least three clinical investigators who have experience working in Phase I clinical trials or studies conducted at a facility designated as a comprehensive cancer center by the National Cancer Institute;



(5) Possesses specialized resources for use in Phase I clinical trials or studies, including, without limitation, equipment that facilitates research and analysis in proteomics, genomics and pharmacokinetics;

(6) Is capable of gathering, maintaining and reporting electronic data; and

(7) Is capable of responding to audits instituted by federal and state agencies.

(c) "Provider of health care" means:

(1) A hospital; or

(2) A person licensed pursuant to chapter 630, 631 or 633 of NRS.

Sec. 95. NRS 689A.0427 is hereby amended to read as follows:

689A.0427 1. No policy of health insurance that provides coverage for hospital, medical or surgical expenses may be delivered or issued for delivery in this state unless the policy includes coverage for the management and treatment of diabetes, including, without limitation, coverage for the self-management of diabetes.

2. An insurer who delivers or issues for delivery a policy specified in subsection 1:

(a) Shall include in ~~the~~ any disclosure ~~required pursuant to NRS 689A.390~~ of the coverage provided by the policy notice to each policyholder and subscriber under the policy of the availability of the benefits required by this section.

(b) Shall provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the policy.

3. A policy of health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 1998, has the legal effect of including the coverage required by this section, and any provision of the policy that conflicts with this section is void.

4. As used in this section:

(a) "Coverage for the management and treatment of diabetes" includes coverage for medication, equipment, supplies and appliances that are medically necessary for the treatment of diabetes.

(b) "Coverage for the self-management of diabetes" includes:

(1) The training and education provided to an insured person after the insured person is initially diagnosed with diabetes which is medically necessary for the care and management of diabetes, including, without limitation, counseling in nutrition and the proper use of equipment and supplies for the treatment of diabetes;

(2) Training and education which is medically necessary as a result of a subsequent diagnosis that indicates a significant change in the symptoms or condition of the insured person and which requires modification of the insured person's program of self-management of diabetes; and

(3) Training and education which is medically necessary because of the development of new techniques and treatment for diabetes.

(c) "Diabetes" includes type I, type II and gestational diabetes.

Sec. 96. NRS 689A.470 is hereby amended to read as follows:

689A.470 As used in NRS 689A.470 to 689A.740, inclusive, *and section 92 of this act*, unless the context otherwise requires, the words and terms defined in NRS 689A.475 to 689A.600, inclusive, have the meanings ascribed to them in those sections.

Sec. 97. NRS 689A.615 is hereby amended to read as follows:

689A.615 For the purposes of NRS 689A.470 to 689A.740, inclusive ~~[-]~~, *and section 92 of this act*:

1. Any plan, fund or program which would not be, but for section 2721(e) of the Public Health Service Act, as amended by Public Law 104-191, as that section existed on July 16, 1997, an employee welfare benefit plan and which is established or maintained by a partnership to the extent that the plan, fund or program provides medical care to current or former partners in the partnership or to their dependents, as defined under the terms of the plan, fund or program, directly or through insurance, reimbursement or otherwise, must be treated, subject to subsection 2, as an employee welfare benefit plan which is a group health plan.

2. In the case of a group health plan, a partnership shall be deemed to be the employer of each partner.

Sec. 98. NRS 689A.630 is hereby amended to read as follows:

689A.630 1. Except as otherwise provided in this section, coverage under an individual health benefit plan must be renewed by the individual carrier that issued the plan, at the option of the individual, unless:

(a) The individual has failed to pay premiums or contributions in accordance with the terms of the health benefit plan or the individual carrier has not received timely premium payments.

(b) The individual has performed an act or a practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of the coverage.

(c) The individual carrier decides to discontinue offering and renewing all health benefit plans delivered or issued for delivery in this state. If the individual carrier decides to discontinue offering and renewing such plans, the individual carrier shall:

(1) Provide notice of its intention to the Commissioner and the chief regulatory officer for insurance in each state in which the individual carrier is licensed to transact insurance at least 60 days before the date on which notice of cancellation or nonrenewal is delivered or mailed to the persons covered by the insurance to be discontinued pursuant to subparagraph (2).

(2) Provide notice of its intention to all persons covered by the discontinued insurance and to the Commissioner and the chief regulatory officer for insurance in each state in which such a person is known to reside. The notice must be made at least 180 days before the nonrenewal of any health benefit plan by the individual carrier.

(3) Discontinue all health insurance issued or delivered for issuance for individuals in this state and not renew coverage under any health benefit plan issued to such individuals.

(d) The Commissioner finds that the continuation of the coverage in this state by the individual carrier would not be in the best interests of the policyholders or certificate holders of the individual carrier or would impair the ability of the individual carrier to meet its contractual obligations. If the Commissioner makes such a finding, the Commissioner shall assist the persons covered by the discontinued insurance in this state in finding replacement coverage.

2. An individual carrier may discontinue ~~the issuance and renewal of a form of~~ a product ~~of a health benefit plan if the Commissioner finds that the form of the product offered by the individual carrier is obsolete and is being replaced with comparable coverage. A form of a product of a health benefit plan may be discontinued by the individual carrier~~ pursuant to this subsection only if:

(a) The individual carrier notifies the Commissioner ~~and the chief regulatory officer for insurance in each state in which it is licensed~~ of its decision pursuant to this subsection to discontinue ~~the issuance and renewal of the form of~~ the product at least 60 days before the individual carrier notifies the persons covered by the discontinued ~~insurance~~ *product* pursuant to paragraph (b).

(b) The individual carrier notifies each person covered by the discontinued ~~insurance, the Commissioner and the chief regulatory officer for insurance in each state in which a person covered by the discontinued insurance is known to reside~~ *product* of the decision of the individual carrier to discontinue offering ~~the form of~~ the product. The notice must be made to persons covered by the discontinued ~~insurance~~ *product* at least ~~180~~ 90 days before the date on which the individual carrier will discontinue offering ~~the form of~~ the product.

(c) The individual carrier offers to each person covered by the discontinued ~~insurance~~ *product* the option to purchase any other health benefit plan currently offered by the individual carrier to individuals in this state.

(d) In exercising the option to discontinue ~~the form of~~ the product and in offering the option to purchase other coverage pursuant to paragraph (c), the individual carrier acts uniformly without regard to the claim experience of the persons covered by the discontinued ~~insurance~~ *product* or any health status-related factor relating to those persons or beneficiaries covered by the discontinued ~~form of the~~ product or any persons or beneficiaries who may become eligible for such coverage.

3. An individual carrier may discontinue the issuance and renewal of a health benefit plan that is made available to individuals pursuant to this chapter only through a bona fide association if:

(a) The membership of the individual in the association was the basis for the provision of coverage;

(b) The membership of the individual in the association ceases; and

(c) The coverage is terminated pursuant to this subsection uniformly without regard to any health status-related factor relating to the covered individual.

4. An individual carrier that elects not to renew a health benefit plan pursuant to paragraph (c) of subsection 1 shall not write new business for individuals pursuant to this chapter for 5 years after the date on which notice is provided to the Commissioner pursuant to subparagraph (2) of paragraph (c) of subsection 1.

5. If an individual carrier does business in only one geographic service area of this state, the provisions of this section apply only to the operations of the individual carrier in that service area.

Sec. 99. 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~~ 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 ~~and~~, *and section 92 of this act.*

Sec. 100. NRS 689A.715 is hereby amended to read as follows:

689A.715 1. An employee welfare benefit plan for providing benefits for employees of more than one employer under which individual health insurance coverage is provided must comply with the provisions of NRS 679B.139 and 689A.470 to 689A.740, inclusive, *and section 92 of this act*, and the regulations adopted by the Commissioner pursuant thereto.

2. As used in this section, the term "employee welfare benefit plan for providing benefits for employees of more than one employer" is intended to be equivalent to the term "employee welfare benefit plan which is a multiple employer welfare arrangement" as used in federal statutes and regulations.

Sec. 101. NRS 689A.725 is hereby amended to read as follows:

689A.725 For the purposes of NRS 689A.470 to 689A.740, inclusive, *and section 92 of this act*, a plan for coverage of a bona fide association must:

1. Conform with *any regulations adopted pursuant to* NRS ~~689A.690 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. 102. NRS 689A.740 is hereby amended to read as follows:

689A.740 The Commissioner shall adopt regulations as necessary to carry out the provisions of NRS 689A.470 to 689A.740, inclusive ~~and~~, *and section 92 of this act.*

Sec. 103. NRS 689A.745 is hereby amended to read as follows:

689A.745 1. Except as otherwise provided in subsection 4, each insurer that issues a policy of health insurance in this State shall establish a system for resolving any complaints of an insured concerning health care services covered

under the policy. The system must be approved by the Commissioner . ~~{in consultation with the State Board of Health.}~~

2. A system for resolving complaints established pursuant to subsection 1 must include an initial investigation, a review of the complaint by a review board and a procedure for appealing a determination regarding the complaint. The majority of the members on a review board must be insureds who receive health care services pursuant to a policy of health insurance issued by the insurer.

3. The Commissioner ~~{for the State Board of Health}~~ may examine the system for resolving complaints established pursuant to subsection 1 at such times as ~~{either}~~ the Commissioner deems necessary or appropriate.

4. Each insurer that issues a policy of health insurance in this State that provides, delivers, arranges for, pays for or reimburses any cost of health care services through managed care shall provide a system for resolving any complaints of an insured concerning those health care services that complies with the provisions of NRS 695G.200 to 695G.310, inclusive.

Sec. 104. NRS 689A.750 is hereby amended to read as follows:

689A.750 1. Each insurer that issues a policy of health insurance in this State shall submit to the Commissioner ~~{and the State Board of Health}~~ an annual report regarding its system for resolving complaints established pursuant to subsection 1 of NRS 689A.745 on a form prescribed by the Commissioner ~~{in consultation with the State Board of Health}~~ which includes, without limitation:

(a) A description of the procedures used for resolving any complaints of an insured;

(b) The total number of complaints and appeals handled through the system for resolving complaints since the last report and a compilation of the causes underlying the complaints filed;

(c) The current status of each complaint and appeal filed; and

(d) The average amount of time that was needed to resolve a complaint and an appeal, if any.

2. Each insurer shall maintain records of complaints filed with it which concern something other than health care services and shall submit to the Commissioner a report summarizing such complaints at such times and in such format as the Commissioner may require.

Sec. 105. NRS 689B.0285 is hereby amended to read as follows:

689B.0285 1. Except as otherwise provided in subsection 4, each insurer that issues a policy of group health insurance in this State shall establish a system for resolving any complaints of an insured concerning health care services covered under the policy. The system must be approved by the Commissioner . ~~{in consultation with the State Board of Health.}~~

2. A system for resolving complaints established pursuant to subsection 1 must include an initial investigation, a review of the complaint by a review board and a procedure for appealing a determination regarding the complaint. The majority of the members on a review board must be insureds who receive

health care services pursuant to a policy of group health insurance issued by the insurer.

3. The Commissioner ~~for the State Board of Health~~ may examine the system for resolving complaints established pursuant to subsection 1 at such times as ~~either~~ the Commissioner deems necessary or appropriate.

4. Each insurer that issues a policy of group health insurance in this State that provides, delivers, arranges for, pays for or reimburses any cost of health care services through managed care shall provide a system for resolving any complaints of an insured concerning the health care services that complies with the provisions of NRS 695G.200 to 695G.310, inclusive.

Sec. 106. NRS 689B.029 is hereby amended to read as follows:

689B.029 1. Each insurer that issues a policy of group health insurance in this State shall submit to the Commissioner ~~and the State Board of Health~~ an annual report regarding its system for resolving complaints established pursuant to subsection 1 of NRS 689B.0285 on a form prescribed by the Commissioner ~~in consultation with the State Board of Health~~ which includes, without limitation:

(a) A description of the procedures used for resolving any complaints of an insured;

(b) The total number of complaints and appeals handled through the system for resolving complaints since the last report and a compilation of the causes underlying the complaints filed;

(c) The current status of each complaint and appeal filed; and

(d) The average amount of time that was needed to resolve a complaint and an appeal, if any.

2. Each insurer shall maintain records of complaints filed with it which concern something other than health care services and shall submit to the Commissioner a report summarizing such complaints at such times and in such format as the Commissioner may require.

Sec. 107. NRS 689B.0306 is hereby amended to read as follows:

689B.0306 1. A policy of group health insurance must provide coverage for medical treatment which a person insured under the group policy receives as part of a clinical trial or study if:

(a) The medical treatment is provided in a Phase I, Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or in a Phase II, Phase III or Phase IV study or clinical trial for the treatment of chronic fatigue syndrome;

(b) The clinical trial or study is approved by:

(1) An agency of the National Institutes of Health as set forth in 42 U.S.C. § 281(b);

(2) A cooperative group;

(3) The Food and Drug Administration as an application for a new investigational drug;

(4) The United States Department of Veterans Affairs; or

(5) The United States Department of Defense;

(c) In the case of:

(1) A Phase I clinical trial or study for the treatment of cancer, the medical treatment is provided at a facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer; or

(2) A Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or chronic fatigue syndrome, the medical treatment is provided by a provider of health care and the facility and personnel for the clinical trial or study have the experience and training to provide the treatment in a capable manner;

(d) There is no medical treatment available which is considered a more appropriate alternative medical treatment than the medical treatment provided in the clinical trial or study;

(e) There is a reasonable expectation based on clinical data that the medical treatment provided in the clinical trial or study will be at least as effective as any other medical treatment;

(f) The clinical trial or study is conducted in this State; and

(g) The insured has signed, before participating in the clinical trial or study, a statement of consent indicating that the insured has been informed of, without limitation:

(1) The procedure to be undertaken;

(2) Alternative methods of treatment; and

(3) The risks associated with participation in the clinical trial or study, including, without limitation, the general nature and extent of such risks.

2. Except as otherwise provided in subsection 3, the coverage for medical treatment required by this section is limited to:

(a) Coverage for any drug or device that is approved for sale by the Food and Drug Administration without regard to whether the approved drug or device has been approved for use in the medical treatment of the insured person.

(b) The cost of any reasonably necessary health care services that are required as a result of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study or as a result of any complication arising out of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study, to the extent that such health care services would otherwise be covered under the policy of group health insurance.

(c) The cost of any routine health care services that would otherwise be covered under the policy of group health insurance for an insured participating in a Phase I clinical trial or study.

(d) The initial consultation to determine whether the insured is eligible to participate in the clinical trial or study.

(e) Health care services required for the clinically appropriate monitoring of the insured during a Phase II, Phase III or Phase IV clinical trial or study.

(f) Health care services which are required for the clinically appropriate monitoring of the insured during a Phase I clinical trial or study and which are not directly related to the clinical trial or study.

↪ Except as otherwise provided in NRS 689B.0303, the services provided pursuant to paragraphs (b), (c), (e) and (f) must be covered only if the services are provided by a provider with whom the insurer has contracted for such services. If the insurer has not contracted for the provision of such services, the insurer shall pay the provider the rate of reimbursement that is paid to other providers with whom the insurer has contracted for similar services and the provider shall accept that rate of reimbursement as payment in full.

3. Particular medical treatment described in subsection 2 and provided to a person insured under the group policy is not required to be covered pursuant to this section if that particular medical treatment is provided by the sponsor of the clinical trial or study free of charge to the person insured under the group policy.

4. The coverage for medical treatment required by this section does not include:

(a) Any portion of the clinical trial or study that is customarily paid for by a government or a biotechnical, pharmaceutical or medical industry.

(b) Coverage for a drug or device described in paragraph (a) of subsection 2 which is paid for by the manufacturer, distributor or provider of the drug or device.

(c) Health care services that are specifically excluded from coverage under the insured's policy of group health insurance, regardless of whether such services are provided under the clinical trial or study.

(d) Health care services that are customarily provided by the sponsors of the clinical trial or study free of charge to the participants in the trial or study.

(e) Extraneous expenses related to participation in the clinical trial or study including, without limitation, travel, housing and other expenses that a participant may incur.

(f) Any expenses incurred by a person who accompanies the insured during the clinical trial or study.

(g) Any item or service that is provided solely to satisfy a need or desire for data collection or analysis that is not directly related to the clinical management of the insured.

(h) Any costs for the management of research relating to the clinical trial or study.

5. An insurer who delivers or issues for delivery a policy of group health insurance specified in subsection 1 may require copies of the approval or certification issued pursuant to paragraph (b) of subsection 1, the statement of consent signed by the insured, protocols for the clinical trial or study and any other materials related to the scope of the clinical trial or study relevant to the coverage of medical treatment pursuant to this section.

6. An insurer who delivers or issues for delivery a policy of group health insurance specified in subsection 1 shall:

(a) Include in ~~the~~ any disclosure ~~[required pursuant to NRS 689B.027] of the coverage provided by the policy~~ notice to each group policyholder of the availability of the benefits required by this section.



(b) Provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the policy.

7. A policy of group health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2006, has the legal effect of including the coverage required by this section, and any provision of the policy that conflicts with this section is void.

8. An insurer who delivers or issues for delivery a policy of group health insurance specified in subsection 1 is immune from liability for:

(a) Any injury to the insured caused by:

(1) Any medical treatment provided to the insured in connection with his or her participation in a clinical trial or study described in this section; or

(2) An act or omission by a provider of health care who provides medical treatment or supervises the provision of medical treatment to the insured in connection with his or her participation in a clinical trial or study described in this section.

(b) Any adverse or unanticipated outcome arising out of an insured's participation in a clinical trial or study described in this section.

9. As used in this section:

(a) "Cooperative group" means a network of facilities that collaborate on research projects and has established a peer review program approved by the National Institutes of Health. The term includes:

(1) The Clinical Trials Cooperative Group Program; and

(2) The Community Clinical Oncology Program.

(b) "Facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer" means a facility or an affiliate of a facility that:

(1) Has in place a Phase I program which permits only selective participation in the program and which uses clear-cut criteria to determine eligibility for participation in the program;

(2) Operates a protocol review and monitoring system which conforms to the standards set forth in the "Policies and Guidelines Relating to the Cancer Center Support Grant" published by the Cancer Centers Branch of the National Cancer Institute;

(3) Employs at least two researchers and at least one of those researchers receives funding from a federal grant;

(4) Employs at least three clinical investigators who have experience working in Phase I clinical trials or studies conducted at a facility designated as a comprehensive cancer center by the National Cancer Institute;

(5) Possesses specialized resources for use in Phase I clinical trials or studies, including, without limitation, equipment that facilitates research and analysis in proteomics, genomics and pharmacokinetics;

(6) Is capable of gathering, maintaining and reporting electronic data; and

(7) Is capable of responding to audits instituted by federal and state agencies.

(c) "Provider of health care" means:

- (1) A hospital; or
- (2) A person licensed pursuant to chapter 630, 631 or 633 of NRS.

Sec. 108. NRS 689B.0357 is hereby amended to read as follows:

689B.0357 1. No group policy of health insurance that provides coverage for hospital, medical or surgical expenses may be delivered or issued for delivery in this state unless the policy includes coverage for the management and treatment of diabetes, including, without limitation, coverage for the self-management of diabetes.

2. An insurer who delivers or issues for delivery a policy specified in subsection 1:

(a) Shall include in ~~the~~ any disclosure ~~required pursuant to NRS 689B.027~~ of the coverage provided by the policy notice to each policyholder and subscriber under the policy of the availability of the benefits required by this section.

(b) Shall provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the policy.

3. A policy subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 1998, has the legal effect of including the coverage required by this section, and any provision of the policy that conflicts with this section is void.

4. As used in this section:

(a) "Coverage for the management and treatment of diabetes" includes coverage for medication, equipment, supplies and appliances that are medically necessary for the treatment of diabetes.

(b) "Coverage for the self-management of diabetes" includes:

(1) The training and education provided to the employee or member of the insured group after the employee or member is initially diagnosed with diabetes which is medically necessary for the care and management of diabetes, including, without limitation, counseling in nutrition and the proper use of equipment and supplies for the treatment of diabetes;

(2) Training and education which is medically necessary as a result of a subsequent diagnosis that indicates a significant change in the symptoms or condition of the employee or member of the insured group and which requires modification of his or her program of self-management of diabetes; and

(3) Training and education which is medically necessary because of the development of new techniques and treatment for diabetes.

(c) "Diabetes" includes type I, type II and gestational diabetes.

Sec. 109. NRS 689B.061 is hereby amended to read as follows:

689B.061 A policy of group health insurance which offers a difference of payment between preferred providers of health care and providers of health care who are not preferred:

1. May not require an insured, another insurer who issues policies of group health insurance, a nonprofit medical service corporation or a health maintenance organization to pay any amount in excess of the deductible or

coinsurance due from the insured based on the rates agreed upon with a provider.

2. Must require that the deductible and payment for coinsurance paid by the insured to a preferred provider of health care be applied to the negotiated reduced rates of that provider.

3. ~~{Must include for providers of health care who are not preferred a provision establishing the point at which an insured's payment for coinsurance is no longer required to be paid if such a provision is included for preferred providers of health care. Such provisions must be based on a calendar year. The point at which an insured's payment for coinsurance is no longer required to be paid for providers of health care who are not preferred must not be greater than twice the amount for preferred providers of health care, regardless of the method of payment.~~

~~—4.}~~ Must provide that if there is a particular service which a preferred provider of health care does not provide and the provider of health care who is treating the insured requests the service and the insurer determines that the use of the service is necessary for the health of the insured, the service shall be deemed to be provided by the preferred provider of health care.

~~{5.}~~ 4. Must require the insurer to process a claim of a provider of health care who is not preferred not later than 30 working days after the date on which proof of the claim is received.

Sec. 110. NRS 689B.560 is hereby amended to read as follows:

689B.560 1. Except as otherwise provided in this section, coverage under a policy of group health insurance must be renewed by the carrier at the option of the plan sponsor, unless:

(a) The plan sponsor has failed to pay premiums or contributions in accordance with the terms of the group health insurance or the carrier has not received timely premium payments;

(b) The plan sponsor has performed an act or a practice that constitutes fraud or has made an intentional misrepresentation of material fact under the terms of the coverage;

(c) The plan sponsor has failed to comply with any material provision of the group health insurance relating to employer contributions and group participation; or

(d) The carrier decides to discontinue offering coverage under group health insurance. If the carrier decides to discontinue offering and renewing such insurance, the carrier shall:

(1) Provide notice of its intention to the Commissioner and the chief regulatory officer for insurance in each state in which the carrier is licensed to transact insurance at least 60 days before the date on which notice of cancellation or nonrenewal is delivered or mailed to the persons covered by the discontinued insurance pursuant to subparagraph (2).

(2) Provide notice of its intention to all persons covered by the discontinued insurance and to the Commissioner and the chief regulatory officer for insurance in each state in which such a person is known to reside.

The notice must be made at least 180 days before the discontinuance of any group health plan by the carrier.

(3) Discontinue all health insurance issued or delivered for issuance for persons in this state and not renew coverage under any group health insurance issued to such persons.

2. A carrier may discontinue ~~{the issuance and renewal of a form of}~~ a product ~~{of group health insurance if the Commissioner finds that the form of the product}~~ offered ~~{by the carrier is obsolete and is being replaced with comparable coverage. A form of a product may be discontinued by the carrier}~~ to employers pursuant to this subsection only if:

(a) The carrier notifies the Commissioner ~~{and the chief regulatory officer in each state in which it is licensed}~~ of its decision pursuant to this subsection to discontinue ~~{the issuance and renewal of the form of}~~ the product at least 60 days before the ~~{individual}~~ carrier notifies the *affected employers and* persons covered ~~{by the discontinued insurance}~~ pursuant to paragraph (b).

(b) The carrier notifies each *affected employer and* person covered ~~{by the discontinued insurance and the Commissioner and the chief regulatory officer in each state in which such a person is known to reside}~~ of the decision of the carrier to discontinue ~~{offering the form of}~~ the product. The notice must be made at least ~~{180}~~ 90 days before the date on which the carrier will discontinue offering ~~{the form of}~~ the product.

(c) The carrier offers to each ~~{person covered by the discontinued insurance}~~ *affected employer* the option to purchase any other health benefit plan currently offered by the carrier to ~~{large}~~ groups in this state.

(d) In exercising the option to discontinue ~~{the form of}~~ the product and in offering the option to purchase other coverage pursuant to paragraph (c), the carrier acts uniformly without regard to the claim experience of the persons covered by the discontinued ~~{insurance}~~ product or any health status-related factor relating to those persons or beneficiaries covered by the discontinued ~~{form of the}~~ product or any person or beneficiary who may become eligible for such coverage.

3. A carrier may discontinue the issuance and renewal of any type of group health insurance offered by the carrier in this state that is made available pursuant to this chapter only to a member of a bona fide association if:

(a) The membership of the person in the bona fide association was the basis for the provision of coverage under the group health insurance;

(b) The membership of the person in the bona fide association ceases; and

(c) Coverage is terminated pursuant to this subsection for all such former members uniformly without regard to any health status-related factor relating to the former member.

4. A carrier that elects not to renew group health insurance pursuant to paragraph (d) of subsection 1 shall not write new business pursuant to this chapter for 5 years after the date on which notice is provided to the Commissioner pursuant to subparagraph (2) of paragraph (d) of subsection 1.

5. If the carrier does business in only one geographic service area of this state, the provisions of this section apply only to the operations of the carrier in that service area.

6. As used in this section, "bona fide association" has the meaning ascribed to it in NRS 689A.485.

Sec. 111. NRS 689C.111 is hereby amended to read as follows:

689C.111 ~~{1. If an employer was not in existence throughout the entire preceding calendar year, the determination of whether the employer is a small or large employer must be based on the average number of employees reasonably expected to be employed on business days in the current calendar year.~~

~~—2. Except as otherwise provided by specific statute, the provisions of this chapter that apply to a small employer at the time that a carrier issues a health benefit plan to the small employer pursuant to the provisions of this chapter continue to apply at least until the plan anniversary following the date on which the small employer no longer meets the requirements of being a small employer.~~

~~—3.}~~ An employee leasing company which has more than 50 employees, including leased employees at client locations, and which sponsors a fully insured health benefit plan for those employees shall be deemed to be a large employer for the purposes of this chapter.

Sec. 112. NRS 689C.310 is hereby amended to read as follows:

689C.310 1. Except as otherwise provided in subsections 2 and 3, a carrier shall renew a health benefit plan at the option of the small employer who purchased the plan.

2. A carrier may refuse to issue or to renew a health benefit plan if:

(a) The carrier discontinues transacting insurance in this state or in the geographic service area of this state where the employer is located;

(b) The employer fails to pay the premiums or contributions required by the terms of the plan;

(c) The employer misrepresents any information regarding the employees covered under the plan or other information regarding eligibility for coverage under the plan;

(d) The plan sponsor has engaged in an act or practice that constitutes fraud to obtain or maintain coverage under the plan;

(e) The employer is not in compliance with the minimum requirements for participation or employer contribution as set forth in the plan; or

(f) The employer fails to comply with any of the provisions of this chapter.

3. A carrier may require a small employer to exclude a particular employee or a dependent of the particular employee from coverage under a health benefit plan as a condition to renewal of the plan if the employee or dependent of the employee commits fraud upon the carrier or misrepresents a material fact which affects his or her coverage under the plan.

4. A carrier shall discontinue the issuance and renewal of coverage to a small employer if the Commissioner finds that the continuation of the coverage

would not be in the best interests of the policyholders or certificate holders of the carrier in this state or would impair the ability of the carrier to meet its contractual obligations. If the Commissioner makes such a finding, the Commissioner shall assist the affected small employers in finding replacement coverage.

5. A carrier may discontinue ~~{the issuance and renewal of a form of}~~ a product ~~{of a health benefit plan}~~ offered to small employers ~~{pursuant to this chapter if the Commissioner finds that the form of the product offered by the carrier is obsolete and is being replaced with comparable coverage. A form of a product of a health benefit plan may be discontinued by a carrier}~~ pursuant to this subsection only if:

(a) The carrier notifies the Commissioner ~~{and the chief regulatory officer for insurance in each state in which it is licensed}~~ of its decision pursuant to this subsection to discontinue ~~{the issuance and renewal of the form of}~~ the product at least 60 days before the carrier notifies the affected small employers pursuant to paragraph (b).

(b) The carrier notifies each affected small employer ~~{and the Commissioner and the chief regulatory officer for insurance in each state in which any affected small employer is located or eligible employee resides}~~ of the decision of the carrier to discontinue ~~{offering the form of}~~ the product. The notice must be made at least ~~{180}~~ 90 days before the date on which the carrier will discontinue offering ~~{the form of}~~ the product.

(c) The carrier offers to each affected small employer the option to purchase any other health benefit plan currently offered by the carrier to small employers in this state.

(d) In exercising the option to discontinue ~~{the particular form of}~~ the product and in offering the option to purchase other coverage pursuant to paragraph (c), the carrier acts uniformly without regard to the claims experience of the affected small employers or any health status-related factor relating to any participant or beneficiary covered by the discontinued product or any new participant or beneficiary who may become eligible for such coverage.

6. A carrier may discontinue the issuance and renewal of a health benefit plan offered to a small employer or an eligible employee pursuant to this chapter only through a bona fide association if:

(a) The membership of the small employer or eligible employee in the association was the basis for the provision of coverage;

(b) The membership of the small employer or eligible employee in the association ceases; and

(c) The coverage is terminated pursuant to this subsection uniformly without regard to any health status-related factor relating to the small employer or eligible employee or dependent of the eligible employee.

7. If a carrier does business in only one geographic service area of this state, the provisions of this section apply only to the operations of the carrier in that service area.

Sec. 113. NRS 689C.350 is hereby amended to read as follows:

689C.350 A health benefit plan which offers a difference of payment between preferred providers of health care and providers of health care who are not preferred:

1. Must require that the deductible and payment for coinsurance paid by the insured to a preferred provider of health care be applied to the negotiated reduced rates of that provider.

2. ~~[Must include for providers of health care who are not preferred a provision establishing the point at which an insured's payment for coinsurance is no longer required to be paid if such a provision is included for preferred providers of health care. Such provisions must be based on a plan year. The point at which an insured's payment for coinsurance is no longer required to be paid for providers of health care who are not preferred must not be greater than twice the amount for preferred providers of health care, regardless of the method of payment.]~~

~~—3.—~~ Must provide that if there is a particular service which a preferred provider of health care does not provide and the provider of health care who is treating the insured requests the service and the insurer determines that the use of the service is necessary for the health of the insured, the service shall be deemed to be provided by the preferred provider of health care.

Sec. 114. NRS 689C.470 is hereby amended to read as follows:

689C.470 1. Except as otherwise provided in NRS 689C.360 to 689C.600, inclusive, a carrier shall renew a contract as to all insured small employers that are members of a voluntary purchasing group and their employees and dependents at the request of the purchaser unless:

- (a) Required premiums are not paid;
- (b) The insured employer or other purchaser is guilty of fraud or misrepresentation;
- (c) Provisions of the contract are breached;
- (d) The number or percentage of employees covered under the contract is less than the number or percentage of eligible employees required by the contract;
- (e) The employer or purchaser is no longer engaged in the business in which it was engaged on the effective date of the contract; or

(f) The Commissioner finds that the continuation of the coverage is not in the best interests of the persons insured under the contract or would impair the carrier's ability to meet its contractual obligations. If nonrenewal occurs as a result of findings pursuant to this subsection, the Commissioner shall assist affected persons in replacing coverage.

2. A carrier may discontinue ~~[issuance and renewal of a form of]~~ a product ~~[of a health benefit plan]~~ offered to a small employer or purchasers pursuant to NRS 689C.360 to 689C.600, inclusive, ~~[if the Commissioner finds that the form of the product offered by the carrier is obsolete and is being replaced with comparable coverage. A form of a product of a health benefit plan may be discontinued by a carrier pursuant to this subsection]~~ only if:

(a) The carrier notifies the Commissioner ~~{and the chief regulatory officer for insurance in each state in which it is licensed}~~ of its decision pursuant to this subsection to discontinue ~~{offering and renewing the form of}~~ the product at least 60 days before the carrier notifies the affected small employers and purchasers pursuant to paragraph (b).

(b) The carrier notifies each affected small employer and purchaser ~~{, and the Commissioner and the chief regulatory officer for insurance in each state in which any affected small employer is located or employee resides,}~~ of the decision of the carrier to discontinue ~~{offering the form of}~~ the product. The notice must be made at least ~~{180}~~ 90 days before the date on which the carrier will discontinue offering ~~{the form of}~~ the product.

(c) The carrier offers to each affected small employer and purchaser the option to purchase any other health benefit plan currently offered by the carrier to small employers in this state.

(d) In exercising the option to discontinue ~~{the particular form of}~~ the product and in offering the option to purchase other coverage pursuant to paragraph (c), the carrier acts uniformly without regard to the claim experience of the affected small employers and any health status-related factor relating to any participant or beneficiary covered by the discontinued product or any new participant or beneficiary who may become eligible for such coverage.

3. A carrier may discontinue the issuance and renewal of a health benefit plan offered to a voluntary purchasing group pursuant to this chapter only through a bona fide association if:

(a) The membership of the small employer who employs the members of the voluntary purchasing group or the purchaser in the association was the basis for the provision of coverage;

(b) The membership of that small employer or the purchaser in the association ceases; and

(c) The coverage is terminated pursuant to this subsection uniformly without regard to any health status-related factor relating to the small employer or the purchaser or his or her dependent.

Sec. 115. NRS 689C.520 is hereby amended to read as follows:

689C.520 1. Before the issuance of a certificate of registration, each voluntary purchasing group shall, to the satisfaction of the Commissioner:

(a) Establish the conditions of membership in the group and require as a condition of membership that all employers include all their eligible employees. The group may not differentiate among classes of membership on the basis of the kind of employment, race, religion, sex, education, health or income. The group shall set reasonable fees for membership which will finance all reasonable and necessary costs incurred in administering the group.

(b) Provide to members of the group and their eligible employees *any applicable disclosures of the coverage provided by any proposed contracts and any applicable information* ~~{meeting the requirements of NRS 689C.440 regarding}~~ *regarding available benefits and carriers provided by any proposed contracts.*



2. In addition to the information required pursuant to subsection 1, a voluntary purchasing group shall provide annually to members of the group information regarding available benefits and carriers.

Sec. 116. NRS 690B.200 is hereby amended to read as follows:

690B.200 As used in NRS 690B.200 to ~~690B.370,~~ 690B.360, inclusive, unless the context otherwise requires, the words and terms defined in NRS 690B.210 to 690B.240, inclusive, have the meanings ascribed to them in those sections.

Sec. 117. NRS 690B.250 is hereby amended to read as follows:

690B.250 Except as more is required in NRS 630.3067 and 633.526:

1. Each insurer which issues a policy of insurance covering the liability of a practitioner licensed pursuant to chapters 630 to 640, inclusive, of NRS for a breach of his or her professional duty toward a patient shall report to the board which licensed the practitioner within 45 days each settlement or award made or judgment rendered by reason of a claim, if the settlement, award or judgment is for more than \$5,000, giving the name ~~and address~~ of the claimant and the practitioner and the circumstances of the case.

2. A practitioner licensed pursuant to chapters 630 to 640, inclusive, of NRS who does not have insurance covering liability for a breach of his or her professional duty toward a patient shall report to the board which issued the practitioner's license within 45 days of each settlement or award made or judgment rendered by reason of a claim, if the settlement, award or judgment is for more than \$5,000, giving the practitioner's name, ~~and address,~~ the name ~~and address~~ of the claimant and the circumstances of the case.

3. These reports are public records and must be made available for public inspection within a reasonable time after they are received by the licensing board.

Sec. 118. NRS 690B.260 is hereby amended to read as follows:

690B.260 1. Each insurer which issues a policy of insurance covering the liability of a physician licensed under chapter 630 of NRS or an osteopathic physician licensed under chapter 633 of NRS for a breach of his or her professional duty toward a patient shall, within 45 days after the end of a calendar quarter, submit a report to the Commissioner concerning each claim that was closed during that calendar quarter under such a policy of insurance issued by the insurer and any change during that calendar quarter to any claim under such a policy of insurance issued by the insurer that was closed during a previous calendar quarter. The report must include, without limitation:

(a) The name ~~and address~~ of the claimant and the insured under each policy;

(b) A statement setting forth the circumstances of that case;

(c) Information indicating whether any payment was made on a claim and the amount of the payment, if any; and

(d) The information specified in subsection 1 of NRS 679B.144 for each claim.

2. An insurer who fails to comply with the provisions of subsection 1 is subject to the imposition of an administrative fine pursuant to NRS 679B.460.

3. The Commissioner shall, within 30 days after receiving a report from an insurer pursuant to this section, submit a report to the Board of Medical Examiners or the State Board of Osteopathic Medicine, as applicable, setting forth the information provided to the Commissioner by the insurer pursuant to this section.

Sec. 119. NRS 690B.350 is hereby amended to read as follows:

690B.350 1. *The requirements of this section apply only if, after a hearing convened at the discretion of the Commissioner, the Commissioner determines that the market for professional liability insurance issued to any class, type or specialty of practitioner licensed pursuant to chapter 630, 631 or 633 of NRS is not competitive and that such insurance is unavailable or unaffordable for a substantial number of such practitioners.*

2. *If the Commissioner convenes a hearing pursuant to subsection 1 and issues a finding that the market for professional liability insurance issued to any class, type or specialty of practitioner licensed pursuant to chapter 630, 631 or 633 of NRS is not competitive, the Commissioner may designate that class, type or specialty of practitioner to be an essential medical specialty.*

3. Except as otherwise provided in this section, if an insurer intends to cancel, terminate or otherwise not renew all policies of professional liability insurance that it has issued to any class, type or specialty of practitioner licensed pursuant to chapter 630, 631 or 633 of NRS, the insurer must provide 120 days' notice of its intended action to the Commissioner and the practitioners before its intended action becomes effective.

~~{2.}~~ 4. If an insurer intends to cancel, terminate or otherwise not renew a specific policy of professional liability insurance that it has issued to a practitioner who is practicing in one or more of the essential medical specialties designated by the Commissioner:

(a) The insurer must provide 120 days' notice to the practitioner before its intended action becomes effective; and

(b) The Commissioner may require the insurer to delay its intended action for a period of not more than 60 days if the Commissioner determines that a replacement policy is not readily available to the practitioner.

~~{3.}~~ 5. If an insurer intends to cancel, terminate or otherwise not renew all policies of professional liability insurance that it has issued to practitioners who are practicing in one or more of the essential medical specialties designated by the Commissioner:

(a) The insurer must provide 120 days' notice of its intended action to the Commissioner and the practitioners before its intended action becomes effective; and

(b) The Commissioner may require the insurer to delay its intended action for a period of not more than 60 days if the Commissioner determines that replacement policies are not readily available to the practitioners.

~~{4. On or before April 1 of each year, the Commissioner shall:~~

~~—(a) Determine whether there are any medical specialties in this State which are essential as a matter of public policy and which must be protected pursuant to this section from certain adverse actions relating to professional liability insurance that may impair the availability of those essential medical specialties to the residents of this State; and~~

~~—(b) Make a list containing the essential medical specialties designated by the Commissioner and provide the list to each insurer that issues policies of professional liability insurance to practitioners who are practicing in one or more of the essential medical specialties.~~

~~—5.}~~ 6. The Commissioner may adopt any regulations that are necessary to carry out the provisions of this section.

~~{6. Until the Commissioner determines which, if any, medical specialties are to be designated as essential medical specialties, the following medical specialties shall be deemed to be essential medical specialties for the purposes of this section:~~

~~—(a) Emergency medicine.~~

~~—(b) Neurosurgery.~~

~~—(c) Obstetrics and gynecology.~~

~~—(d) Orthopedic surgery.~~

~~—(e) Pediatrics.~~

~~—(f) Trauma surgery.}~~

Sec. 120. NRS 690B.360 is hereby amended to read as follows:

690B.360 1. The Commissioner ~~{shall}~~ *may* collect all information which is pertinent to monitoring whether an insurer that issues professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS is complying with the applicable standards for rates established in NRS 686B.010 to 686B.1799, inclusive ~~{,}~~ *and sections 35 to 39, inclusive, of this act.* Such information ~~{must}~~ *may* include, without limitation:

(a) The amount of gross premiums collected with regard to each medical specialty;

(b) Information relating to loss ratios;

(c) Information reported pursuant to NRS ~~{690B.250;}~~ 690B.260; and

(d) Information reported pursuant to NRS 679B.430 and 679B.440.

2. In addition to the information collected pursuant to subsection 1, the Commissioner may request any additional information from an insurer:

(a) Whose rates and credit utilization are materially different from other insurers in the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State;

(b) Whose credit utilization shows a substantial change from the previous year; or

(c) Whose information collected pursuant to subsection 1 indicates a potentially adverse trend.

3. If the Commissioner requests additional information from an insurer pursuant to subsection 2, the Commissioner ~~{shall}~~ *may*:

(a) Determine whether the additional information offers a reasonable explanation for the results described in paragraph (a), (b) or (c) of subsection 2; and

(b) Take any steps permitted by law that are necessary and appropriate to assure the ongoing stability of the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State.

4. On an ongoing basis, the Commissioner ~~shall~~  
~~—(a) Analyze—~~ may analyze and evaluate the information collected pursuant to this section to determine trends in and measure the health of the market for professional liability insurance for a practitioner licensed pursuant to chapter 630, 631, 632 or 633 of NRS in this State . ~~}; and~~  
~~—(b) Prepare—~~

5. *If the Commissioner convenes a hearing pursuant to subsection 1 of NRS 690B.350 and determines that the market for professional liability insurance issued to any class, type or specialty of practitioner licensed pursuant to chapter 630, 631 or 633 of NRS is not competitive and that such insurance is unavailable or unaffordable for a substantial number of such practitioners, the Commissioner shall prepare and submit a report of the Commissioner's findings and recommendations to the Director of the Legislative Counsel Bureau for transmittal to members of the Legislature . ~~for~~ or before November 15 of each year.*

Sec. 121. Chapter 690C of NRS is hereby amended by adding thereto the provisions set forth as sections 122, 123 and 124 of this act.

Sec. 122. *"Controlling person" means a person who qualifies as a controlling person of a provider pursuant to section 123 of this act.*

Sec. 123. *A person is a controlling person of a provider if the person:*

1. *Is an officer of the provider; or*
2. *Possesses the authority to set the policy and direct the management of the business entity in connection with its service contract business.*

Sec. 124. 1. *Except as otherwise provided in this section, a provider shall not transfer any liability relating to a service contract to another provider or any other person, including, without limitation, another provider or other person with whom the original provider has merged or plans to merge.*

2. *A provider may transfer a liability relating to a service contract to another provider or any other person if, before the liability is transferred:*

(a) *The original provider submits a proposal to the Commissioner to transfer the liability; and*

(b) *The Commissioner approves the proposal pursuant to subsection 3.*

3. *The Commissioner may approve a proposal made by a provider pursuant to subsection 2 if the Commissioner determines, after reviewing the financial condition of the provider or other person to whom the liability is proposed to be transferred, that the proposed recipient of the transfer has adequate financial resources to enable the proposed recipient to pay in full*

*and in a timely manner all liabilities proposed to be transferred to the proposed recipient.*

4. *The provisions of this section do not apply to any transaction relating to a contractual liability insurance policy into which the provider enters to satisfy the requirements of NRS 690C.170.*

Sec. 125. NRS 690C.010 is hereby amended to read as follows:

690C.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 690C.020 to 690C.080, inclusive, *and section 122 of this act*, have the meanings ascribed to them in those sections.

Sec. 126. NRS 690C.100 is hereby amended to read as follows:

690C.100 1. The provisions of this title do not apply to:

(a) A warranty;

(b) A maintenance agreement;

(c) A service contract provided by a public utility on its transmission device if the service contract is regulated by the Public Utilities Commission of Nevada;

(d) A service contract sold or offered for sale to a person who is not a consumer;

(e) A service contract for goods if the purchase price of the goods is less than \$250; or

(f) ~~Except as otherwise provided in NRS 690C.240, a~~ A service contract issued, sold or offered for sale by a vehicle dealer on vehicles sold by the dealer, if the dealer is licensed pursuant to NRS 482.325 and the service contract obligates either the dealer or the manufacturer of the vehicle, or an affiliate of the dealer or manufacturer, to provide all services under the service contract.

2. The sale of a service contract pursuant to this chapter does not constitute the business of insurance for the purposes of 18 U.S.C. §§ 1033 and 1034.

3. As used in this section:

(a) "Maintenance agreement" means a contract for a limited period that provides only for scheduled maintenance.

(b) "Warranty" means a warranty provided solely by a manufacturer, importer or seller of goods for which the manufacturer, importer or seller did not receive separate consideration and that:

(1) Is not negotiated or separated from the sale of the goods;

(2) Is incidental to the sale of the goods; and

(3) Guarantees to indemnify the consumer for defective parts, mechanical or electrical failure, labor or other remedial measures required to repair or replace the goods.

Sec. 127. NRS 690C.160 is hereby amended to read as follows:

690C.160 1. A provider who wishes to issue, sell or offer for sale service contracts in this state must submit to the Commissioner:

(a) A registration application on a form prescribed by the Commissioner;

(b) Proof that the provider has complied with the requirements for *financial* security set forth in NRS 690C.170;

(c) A copy of each type of service contract the provider proposes to issue, sell or offer for sale;

(d) The name, address and telephone number of each administrator with whom the provider intends to contract; ~~and~~

(e) A fee of \$1,000 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 ~~+~~; and

(f) *The following information for each controlling person:*

(1) *Whether the person, in the last 10 years, has been:*

(I) *Convicted of a felony or misdemeanor of which an essential element is fraud;*

(II) *Insolvent or adjudged bankrupt;*

(III) *Refused a license or registration as a service contract provider or had an existing license or registration as a service contract provider suspended or revoked by any state or governmental agency or authority; or*

(IV) *Fined by any state or governmental agency or authority in any matter regarding service contracts; and*

(2) *Whether there are any pending criminal actions against the person other than moving traffic violations.*

2. In addition to the fee required by subsection 1, a provider must pay a fee of \$25 for each type of service contract the provider files with the Commissioner.

3. A certificate of registration is valid for 1 year after the date the Commissioner issues the certificate to the provider. A provider may renew his or her certificate of registration if, before the certificate expires, the provider submits to the Commissioner ~~an~~ :

(a) *An application on a form prescribed by the Commissioner ~~+~~;*

(b) A fee of \$1,000 and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110 ~~+~~; and

(c) *The information required by paragraph (f) of subsection 1:*

(1) *If an existing controlling person has had a change in any of the information previously submitted to the Commissioner; or*

(2) *For a controlling person who has not previously submitted the information required by paragraph (f) of subsection 1 to the Commissioner.*

4. *All fees paid pursuant to this section are nonrefundable.*

5. *Each application submitted pursuant to this section, including, without limitation, an application for renewal, must:*

(a) *Be signed by an executive officer, if any, of the provider or, if the provider does not have an executive officer, by a controlling person of the provider; and*

(b) *Have attached to it an affidavit signed by the person described in paragraph (a) which meets the requirements of subsection 6.*

6. *Before signing the application described in subsection 5, the person who signs the application shall verify that the information provided is accurate to the best of his or her knowledge.*

Sec. 128. NRS 690C.170 is hereby amended to read as follows:

690C.170 1. To be issued a certificate of registration, a provider must comply with one of the following ~~[-]~~:

~~1.]~~ to provide for financial security:

(a) Purchase a contractual liability insurance policy which insures the obligations of each service contract the provider issues, sells or offers for sale. The contractual liability insurance policy must ~~be~~:

(1) Be issued by an insurer which is licensed, registered or otherwise authorized to transact insurance in this state or pursuant to the provisions of chapter 685A of NRS.

(2) Contain a provision prohibiting the insurer from terminating the policy until a notice of termination has been mailed or delivered to the Commissioner at least 60 days prior to the termination of the policy. Any such termination shall not reduce the responsibility of the insurer for service contracts issued by the provider prior to the effective date of termination.

~~2.]~~ (b) Maintain a reserve account in this State and deposit with the Commissioner security as provided in this subsection. The reserve account must contain at all times an amount of money equal to at least 40 percent of the unearned gross consideration received by the provider for any unexpired service contracts. *The reserve account must be kept separate from the operating accounts of the provider and must be clearly identified as the "(Provider's Name) Nevada Service Contracts Funded Reserve Account."* The Commissioner may examine the reserve account at any time. The provider shall also deposit with the Commissioner security in an amount that is equal to \$25,000 or 10 percent of the unearned gross consideration received by the provider for any unexpired service contracts, whichever is greater. The security must be:

~~(a)]~~ (1) A surety bond issued by a surety company authorized to do business in this State;

~~(b)]~~ (2) Securities of the type eligible for deposit pursuant to NRS 682B.030;

~~(c)]~~ (3) Cash;

~~(d)]~~ (4) An irrevocable letter of credit issued by a financial institution approved by the Commissioner; or

~~(e)]~~ (5) In any other form prescribed by the Commissioner.

~~3.]~~ (c) Maintain, or be a subsidiary of a parent company that maintains, a net worth or stockholders' equity of at least \$100,000,000. Upon request, a provider shall provide to the Commissioner a copy of the most recent Form 10-K report or Form 20-F report filed by the provider or parent company of the provider with the Securities and Exchange Commission within the previous year. If the provider or parent company is not required to file those reports with the Securities and Exchange Commission, the provider shall provide to the Commissioner a copy of the most recently audited financial statements of the provider or parent company. If the net worth or stockholders' equity of the parent company of the provider is used to comply with the

requirements of this subsection, the parent company must guarantee to carry out the duties of the provider under any service contract issued or sold by the provider.

2. *A provider shall not use any money in a reserve account described in paragraph (b) of subsection 1 for any purpose other than to pay an obligation of the provider under an unexpired service contract.*

3. *A provider shall maintain the financial security required by subsection 1 until:*

*(a) The provider ceases doing business in this State; and*

*(b) The provider has performed or otherwise satisfied all liabilities and obligations under all unexpired service contracts issued by the provider.*

4. *If the certificate of registration of a provider has not expired and the provider fails to maintain the financial security required by subsection 1, including, without limitation, if the financial security is cancelled or lapses, the provider shall not issue or sell a service contract on or after the effective date of such failure until the provider submits to the Commissioner proof satisfactory to the Commissioner that the provider is in compliance with subsection 1.*

Sec. 129. NRS 690C.240 is hereby amended to read as follows:

690C.240 1. A provider ~~{who, whether directly or through a vehicle dealer licensed pursuant to NRS 482.325, enters into a vehicle service contract with a buyer}~~ shall, within 30 days after ceasing doing business in this State, notify ~~{any buyer who purchased such a contract}~~ the Commissioner and each holder of an unexpired service contract in writing of the fact that the provider has ceased doing business in this State . ~~{if the specified period of the vehicle service contract has not yet expired.}~~

2. The provisions of this section do not:

(a) Render a service contract void pursuant to NRS 690C.250;

(b) Cancel a service contract pursuant to NRS 690C.270; or

(c) Release the provider from any liability imposed by a violation of any provision of this chapter.

~~{3. — As used in this section:~~

~~—(a) "Buyer" means the buyer of a vehicle service contract.~~

~~—(b) "Vehicle service contract" means a contract pursuant to which a provider, in exchange for separately stated consideration, is obligated for a specified period to a buyer to repair, replace or perform maintenance on, or indemnify or reimburse the buyer for the costs of repairing, replacing or performing maintenance on, a motor vehicle which is described in the vehicle service contract and which has an operational or structural failure as a result of a defect in materials, workmanship or normal wear and tear, including, without limitation, a contract that includes a provision for incidental payment of indemnity under limited circumstances, including, without limitation, towing, rental and emergency road service.}~~



Sec. 130. NRS 691C.340 is hereby amended to read as follows:

691C.340 ~~{1. The Commissioner shall, by regulation, establish reasonable rates as described in this chapter and in accordance with the standards established in NRS 686B.050 and 686B.060. The rates must be reasonable in relation to the benefits provided and must not be excessive, inadequate or unfairly discriminatory.~~

~~—2.}~~ The Commissioner may, by regulation, establish rates that an insurer may use without filing pursuant to NRS 691C.320. In establishing such rates, the Commissioner shall consider and apply the following factors:

- ~~{(a)}~~ 1. Actual and expected loss experience;
- ~~{(b)}~~ 2. General and administrative expenses;
- ~~{(c)}~~ 3. Loss settlement and adjustment expenses;
- ~~{(d)}~~ 4. Reasonable creditor compensation;
- ~~{(e)}~~ 5. The manner in which premiums are charged;
- ~~{(f)}~~ 6. Other acquisition costs;
- ~~{(g)}~~ 7. Reserves;
- ~~{(h)}~~ 8. Taxes;
- ~~{(i)}~~ 9. Regulatory license fees and fund assessments;
- ~~{(j)}~~ 10. Reasonable insurer profit; and
- ~~{(k)}~~ 11. Other relevant data consistent with generally accepted actuarial standards.

Sec. 131. NRS 691C.390 is hereby amended to read as follows:

691C.390 1. Each individual policy or certificate of insurance must provide for a refund of unearned premiums if the credit personal property insurance is cancelled before the scheduled date of termination of the insurance.

2. Except as otherwise provided in this section, any refund must be provided to the person to whom it is entitled as soon as practicable after the date of cancellation of the insurance.

3. ~~{The Commissioner shall, by regulation, establish the minimum amount of unearned premiums that must remain outstanding at the time of cancellation in order for a person to be entitled to a refund. If the amount of unearned premiums that remains outstanding at the time of cancellation is less than the minimum amount established by regulation, the person is not entitled to a refund.~~

~~—4.}~~ The formula that an insurer uses to determine the amount of a refund must be submitted to and approved by the Commissioner before it is used.

Sec. 132. Chapter 695B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A corporation organized under this chapter shall contract with an insurance company licensed in this State or authorized to do business in this State for the provision of insurance, indemnity or reimbursement against the cost of hospital services, medical services and dental services which are provided by the corporation.*

2. *The contract of insurance required by subsection 1 must include a provision that, in the case of the insolvency or impairment of the corporation, the insurance company will pay all claims made by an insured for the period for which a premium has been or will be paid to the corporation for the insured. The contract of insurance required by subsection 1 must specifically provide for the:*

*(a) Continuation of benefits to each insured for the period for which a premium has been or will be paid to the corporation for the insured until the expiration or termination of the insured's contract with the corporation;*

*(b) Continuation of benefits for each insured who is receiving inpatient services in a medical facility or facility for the dependent at the time of the insolvency or impairment of the corporation until the inpatient services are no longer medically necessary and the insured is discharged from the medical facility or facility for the dependent; and*

*(c) Payment of a provider of health care not affiliated with the corporation who provided medically necessary services to an insured, as described in the insured's contract with the corporation, the insured's policy or the insured's evidence of coverage.*

3. *As used in this section:*

*(a) "Facility for the dependent" has the meaning ascribed to it in NRS 449.0045.*

*(b) "Impairment" means that a corporation organized under this chapter is not insolvent and has been:*

*(1) Deemed to be impaired pursuant to NRS 695B.150; or*

*(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.*

*(c) "Insolvency" or "insolvent" means that a corporation organized under this chapter has been:*

*(1) Deemed to be insolvent pursuant to NRS 695B.150;*

*(2) Declared insolvent by a court of competent jurisdiction; or*

*(3) Placed under an order of liquidation by a court of competent jurisdiction.*

*(d) "Medical facility" has the meaning ascribed to it in NRS 449.0151.*

*(e) "Medically necessary" has the meaning ascribed to it in NRS 695G.055.*

*(f) "Provider of health care" has the meaning ascribed to it in NRS 629.031.*

Sec. 133. NRS 695B.150 is hereby amended to read as follows:

695B.150 1. A corporation organized under this chapter shall be deemed to be insolvent if ~~its~~ **[its]** :

*(a) The corporation fails to meet its obligations as they mature;*

*(b) The assets of the corporation are less than the sum of its liabilities and the minimum surplus required to be maintained by the corporation under this Code for authority to transact the kinds of insurance transacted; and*

*(c) The reserve fund of the corporation is ~~impaired so as to be~~ less than the amounts set forth in NRS 695B.140.*

2. *In addition to the provisions of subsection 1, a corporation organized under this chapter shall be deemed to be insolvent as otherwise expressly provided in this Code.*

3. For the purposes of determining ~~[such]~~ insolvency pursuant to subsection 1 or 2 and the financial condition of the corporation, for the purposes of preparation of annual statements, and for all other purposes not otherwise expressly provided for in this chapter, the corporation is subject to all requirements of the laws of the State of Nevada as to assets, liabilities and reserves which are applicable to mutual nonassessable life or health insurers.

4. *A corporation organized under this chapter shall be deemed to be impaired if the assets of the corporation are less than the sum of its liabilities and the minimum surplus required to be maintained by the corporation under this Code for authority to transact the kinds of insurance transacted.*

5. *The Commissioner may adopt regulations to define when a corporation organized under this chapter is considered to be in a hazardous financial condition and to set forth the standards to be considered by the Commissioner in determining whether the continued operation of such a corporation transacting business in this State may be considered to be hazardous to its insureds or creditors or to the general public.*

6. *If the Commissioner determines after a hearing that any corporation organized under this chapter is in a hazardous financial condition, the Commissioner may, instead of suspending or revoking the certificate of authority of the corporation, limit the certificate of authority as the Commissioner deems reasonably necessary to correct, eliminate or remedy any conduct, condition or ground that is deemed to be a cause of the hazardous financial condition.*

7. *An order or decision of the Commissioner under this section is subject to review in accordance with NRS 679B.310 to 679B.370, inclusive, at the request of any party to the proceedings whose interests are substantially affected.*

Sec. 134. NRS 695B.185 is hereby amended to read as follows:

695B.185 A group contract for hospital, medical or dental services which offers a difference of payment between preferred providers of health care and providers of health care who are not preferred:

1. May not require a deductible of more than \$600 difference per admission to a facility for inpatient treatment which is not a preferred provider of health care.

2. May not require a deductible of more than \$500 difference per treatment, other than inpatient treatment at a hospital, by a provider which is not preferred.

3. May not require an insured, another insurer who issues policies of group health insurance, a nonprofit medical service corporation or a health maintenance organization to pay any amount in excess of the deductible or coinsurance due from the insured based on the rates agreed upon with a provider.

4. May not provide for a difference in percentage rates of payment for coinsurance of more than 30 percentage points between the copayment required to be paid by the insured to a preferred provider of health care and the copayment required to be paid by the insured to a provider of health care who is not preferred.

5. Must require that the deductible and payment for coinsurance paid by the insured to a preferred provider of health care be applied to the negotiated reduced rates of that provider.

6. ~~{Must include for providers of health care who are not preferred a provision establishing the point at which an insured's payment for coinsurance is no longer required to be paid if such a provision is included for preferred providers of health care. Such provisions must be based on a calendar year. The point at which an insured's payment for coinsurance is no longer required to be paid for providers of health care who are not preferred must not be greater than twice the amount for preferred providers of health care, regardless of the method of payment.~~

~~—7.}~~ Must provide that if there is a particular service which a preferred provider of health care does not provide and the provider of health care who is treating the insured determines that the use of the service is necessary for the health of the insured, the service shall be deemed to be provided by the preferred provider of health care.

~~{8.}~~ 7. Must require the corporation to process a claim of a provider of health care who is not preferred not later than 30 working days after the date on which proof of the claim is received.

Sec. 135. NRS 695B.1903 is hereby amended to read as follows:

695B.1903 1. A policy of health insurance issued by a medical services corporation must provide coverage for medical treatment which a person insured under the policy receives as part of a clinical trial or study if:

(a) The medical treatment is provided in a Phase I, Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or in a Phase II, Phase III or Phase IV study or clinical trial for the treatment of chronic fatigue syndrome;

(b) The clinical trial or study is approved by:

(1) An agency of the National Institutes of Health as set forth in 42 U.S.C. § 281(b);

(2) A cooperative group;

(3) The Food and Drug Administration as an application for a new investigational drug;

(4) The United States Department of Veterans Affairs; or

(5) The United States Department of Defense;

(c) In the case of:

(1) A Phase I clinical trial or study for the treatment of cancer, the medical treatment is provided at a facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer; or

(2) A Phase II, Phase III or Phase IV study or clinical trial for the treatment of cancer or chronic fatigue syndrome, the medical treatment is provided by a provider of health care and the facility and personnel for the clinical trial or study have the experience and training to provide the treatment in a capable manner;

(d) There is no medical treatment available which is considered a more appropriate alternative medical treatment than the medical treatment provided in the clinical trial or study;

(e) There is a reasonable expectation based on clinical data that the medical treatment provided in the clinical trial or study will be at least as effective as any other medical treatment;

(f) The clinical trial or study is conducted in this State; and

(g) The insured has signed, before participating in the clinical trial or study, a statement of consent indicating that the insured has been informed of, without limitation:

(1) The procedure to be undertaken;

(2) Alternative methods of treatment; and

(3) The risks associated with participation in the clinical trial or study, including, without limitation, the general nature and extent of such risks.

2. Except as otherwise provided in subsection 3, the coverage for medical treatment required by this section is limited to:

(a) Coverage for any drug or device that is approved for sale by the Food and Drug Administration without regard to whether the approved drug or device has been approved for use in the medical treatment of the insured person.

(b) The cost of any reasonably necessary health care services that are required as a result of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study or as a result of any complication arising out of the medical treatment provided in a Phase II, Phase III or Phase IV clinical trial or study, to the extent that such health care services would otherwise be covered under the policy of health insurance.

(c) The cost of any routine health care services that would otherwise be covered under the policy of health insurance for an insured participating in a Phase I clinical trial or study.

(d) The initial consultation to determine whether the insured is eligible to participate in the clinical trial or study.

(e) Health care services required for the clinically appropriate monitoring of the insured during a Phase II, Phase III or Phase IV clinical trial or study.

(f) Health care services which are required for the clinically appropriate monitoring of the insured during a Phase I clinical trial or study and which are not directly related to the clinical trial or study.

➡ Except as otherwise provided in NRS 695B.1901, the services provided pursuant to paragraphs (b), (c), (e) and (f) must be covered only if the services are provided by a provider with whom the medical services corporation has contracted for such services. If the medical services corporation has not

contracted for the provision of such services, the medical services corporation shall pay the provider the rate of reimbursement that is paid to other providers with whom the medical services corporation has contracted for similar services and the provider shall accept that rate of reimbursement as payment in full.

3. Particular medical treatment described in subsection 2 and provided to a person insured under the policy is not required to be covered pursuant to this section if that particular medical treatment is provided by the sponsor of the clinical trial or study free of charge to the person insured under the policy.

4. The coverage for medical treatment required by this section does not include:

(a) Any portion of the clinical trial or study that is customarily paid for by a government or a biotechnical, pharmaceutical or medical industry.

(b) Coverage for a drug or device described in paragraph (a) of subsection 2 which is paid for by the manufacturer, distributor or provider of the drug or device.

(c) Health care services that are specifically excluded from coverage under the insured's policy of health insurance, regardless of whether such services are provided under the clinical trial or study.

(d) Health care services that are customarily provided by the sponsors of the clinical trial or study free of charge to the participants in the trial or study.

(e) Extraneous expenses related to participation in the clinical trial or study including, without limitation, travel, housing and other expenses that a participant may incur.

(f) Any expenses incurred by a person who accompanies the insured during the trial or study.

(g) Any item or service that is provided solely to satisfy a need or desire for data collection or analysis that is not directly related to the clinical management of the insured.

(h) Any costs for the management of research relating to the clinical trial or study.

5. A medical services corporation that delivers or issues for delivery a policy of health insurance specified in subsection 1 may require copies of the approval or certification issued pursuant to paragraph (b) of subsection 1, the statement of consent signed by the insured, protocols for the clinical trial or study and any other materials related to the scope of the clinical trial or study relevant to the coverage of medical treatment pursuant to this section.

6. A medical services corporation that delivers or issues for delivery a policy of health insurance specified in subsection 1 shall:

(a) Include in ~~the~~ any disclosure ~~[required pursuant to NRS 695B.172]~~ of the coverage provided by the policy notice to each person insured under the policy of the availability of the benefits required by this section.

(b) Provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the policy.

7. A policy of health insurance subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 2006, has the legal effect of including the coverage required by this section, and any provision of the policy that conflicts with this section is void.

8. A medical services corporation that delivers or issues for delivery a policy of health insurance specified in subsection 1 is immune from liability for:

(a) Any injury to the insured caused by:

(1) Any medical treatment provided to the insured in connection with his or her participation in a clinical trial or study described in this section; or

(2) An act or omission by a provider of health care who provides medical treatment or supervises the provision of medical treatment to the insured in connection with his or her participation in a clinical trial or study described in this section.

(b) Any adverse or unanticipated outcome arising out of an insured's participation in a clinical trial or study described in this section.

9. As used in this section:

(a) "Cooperative group" means a network of facilities that collaborate on research projects and has established a peer review program approved by the National Institutes of Health. The term includes:

(1) The Clinical Trials Cooperative Group Program; and

(2) The Community Clinical Oncology Program.

(b) "Facility authorized to conduct Phase I clinical trials or studies for the treatment of cancer" means a facility or an affiliate of a facility that:

(1) Has in place a Phase I program which permits only selective participation in the program and which uses clear-cut criteria to determine eligibility for participation in the program;

(2) Operates a protocol review and monitoring system which conforms to the standards set forth in the "Policies and Guidelines Relating to the Cancer Center Support Grant" published by the Cancer Centers Branch of the National Cancer Institute;

(3) Employs at least two researchers and at least one of those researchers receives funding from a federal grant;

(4) Employs at least three clinical investigators who have experience working in Phase I clinical trials or studies conducted at a facility designated as a comprehensive cancer center by the National Cancer Institute;

(5) Possesses specialized resources for use in Phase I clinical trials or studies, including, without limitation, equipment that facilitates research and analysis in proteomics, genomics and pharmacokinetics;

(6) Is capable of gathering, maintaining and reporting electronic data; and

(7) Is capable of responding to audits instituted by federal and state agencies.

(c) "Provider of health care" means:

(1) A hospital; or

(2) A person licensed pursuant to chapter 630, 631 or 633 of NRS.

Sec. 136. NRS 695B.1927 is hereby amended to read as follows:

695B.1927 1. No contract for hospital or medical service that provides coverage for hospital, medical or surgical expenses may be delivered or issued for delivery in this state unless the contract includes coverage for the management and treatment of diabetes, including, without limitation, coverage for the self-management of diabetes.

2. An insurer who delivers or issues for delivery a contract specified in subsection 1:

(a) Shall include in ~~{the}~~ any disclosure ~~{required pursuant to NRS 695B.172}~~ of the coverage provided by the contract notice to each policyholder or subscriber covered under the contract of the availability of the benefits required by this section.

(b) Shall provide the coverage required by this section subject to the same deductible, copayment, coinsurance and other such conditions for coverage that are required under the contract.

3. A contract for hospital or medical service subject to the provisions of this chapter that is delivered, issued for delivery or renewed on or after January 1, 1998, has the legal effect of including the coverage required by this section, and any provision of the contract that conflicts with this section is void.

4. As used in this section:

(a) "Coverage for the management and treatment of diabetes" includes coverage for medication, equipment, supplies and appliances that are medically necessary for the treatment of diabetes.

(b) "Coverage for the self-management of diabetes" includes:

(1) The training and education provided to a person covered under the contract after the person is initially diagnosed with diabetes which is medically necessary for the care and management of diabetes, including, without limitation, counseling in nutrition and the proper use of equipment and supplies for the treatment of diabetes;

(2) Training and education which is medically necessary as a result of a subsequent diagnosis that indicates a significant change in the symptoms or condition of the person covered under the contract and which requires modification of the person's program of self-management of diabetes; and

(3) Training and education which is medically necessary because of the development of new techniques and treatment for diabetes.

(c) "Diabetes" includes type I, type II and gestational diabetes.

Sec. 137. NRS 695B.290 is hereby amended to read as follows:

695B.290 Any agent of a nonprofit hospital or medical or dental service corporation who acts as such in the solicitation, negotiation, procurement or making of a hospital service or medical or dental care contract shall be qualified, examined and licensed in the same manner and pay the same fees as provided for ~~{health insurance agents}~~ a producer of insurance in NRS 680B.010 (fee schedule), chapter 683A of NRS and, in addition to any other fee or charge, all applicable fees required pursuant to NRS 680C.110.



Sec. 138. NRS 695B.320 is hereby amended to read as follows:

695B.320 1. Nonprofit hospital and medical or dental service corporations are subject to the provisions of this chapter, and to the provisions of chapters 679A and 679B of NRS, NRS 686A.010 to 686A.315, inclusive, 687B.010 to 687B.040, inclusive, 687B.070 to 687B.140, inclusive, 687B.150, 687B.160, 687B.180, 687B.200 to 687B.255, inclusive, 687B.270, 687B.310 to 687B.380, inclusive, 687B.410, 687B.420, 687B.430, 687B.500 and chapters 692B, 692C, 693A and 696B of NRS, to the extent applicable and not in conflict with the express provisions of this chapter.

2. *For the purposes of this section and the provisions set forth in subsection 1, a nonprofit hospital and medical or dental service corporation is included in the meaning of the term "insurer."*

Sec. 139. NRS 695B.380 is hereby amended to read as follows:

695B.380 1. Except as otherwise provided in subsection 4, each insurer that issues a contract for hospital or medical services in this State shall establish a system for resolving any complaints of an insured concerning health care services covered under the policy. The system must be approved by the Commissioner ~~[in consultation with the State Board of Health.]~~

2. A system for resolving complaints established pursuant to subsection 1 must include an initial investigation, a review of the complaint by a review board and a procedure for appealing a determination regarding the complaint. The majority of the members on a review board must be insureds who receive health care services pursuant to a contract for hospital or medical services issued by the insurer.

3. The Commissioner ~~[or the State Board of Health]~~ may examine the system for resolving complaints established pursuant to subsection 1 at such times as ~~[either]~~ the Commissioner deems necessary or appropriate.

4. Each insurer that issues a contract specified in subsection 1 shall, if the contract provides, delivers, arranges for, pays for or reimburses any cost of health care services through managed care, provide a system for resolving any complaints of an insured concerning those health care services that complies with the provisions of NRS 695G.200 to 695G.310, inclusive.

Sec. 140. NRS 695B.390 is hereby amended to read as follows:

695B.390 1. Each insurer that issues a contract for hospital or medical services in this State shall submit to the Commissioner ~~[and the State Board of Health]~~ an annual report regarding its system for resolving complaints established pursuant to subsection 1 of NRS 695B.380 on a form prescribed by the Commissioner ~~[in consultation with the State Board of Health]~~ which includes, without limitation:

(a) A description of the procedures used for resolving any complaints of an insured;

(b) The total number of complaints and appeals handled through the system for resolving complaints since the last report and a compilation of the causes underlying the complaints filed;

(c) The current status of each complaint and appeal filed; and

(d) The average amount of time that was needed to resolve a complaint and an appeal, if any.

2. Each insurer shall maintain records of complaints filed with it which concern something other than health care services and shall submit to the Commissioner a report summarizing such complaints at such times and in such format as the Commissioner may require.

Sec. 141. Chapter 695C of NRS is hereby amended by adding thereto the provisions set forth as sections 142 to 146, inclusive, of this act.

Sec. 142. 1. *A health maintenance organization shall contract with an insurance company licensed in this State or authorized to do business in this State for the provision of insurance, indemnity or reimbursement against the cost of health care services which are provided by the health maintenance organization.*

2. *The contract of insurance required by subsection 1 must include a provision that, in the case of the insolvency or impairment of the health maintenance organization, the insurance company will pay all claims made by an enrollee for the period for which a premium has been or will be paid to the health maintenance organization for the enrollee. The contract of insurance required by subsection 1 must specifically provide for the:*

*(a) Continuation of benefits to each enrollee for the period for which a premium has been or will be paid to the health maintenance organization for the enrollee until the expiration or termination of the enrollee's contract with the health maintenance organization;*

*(b) Continuation of benefits for each enrollee who is receiving inpatient services in a medical facility or facility for the dependent at the time of the insolvency or impairment of the health maintenance organization until the inpatient services are no longer medically necessary and the enrollee is discharged from the medical facility or facility for the dependent; and*

*(c) Payment of a provider of health care not affiliated with the health maintenance organization who provided medically necessary services to an enrollee, as described in the enrollee's evidence of coverage.*

3. *As used in this section:*

*(a) "Facility for the dependent" has the meaning ascribed to it in NRS 449.0045.*

*(b) "Impairment" means that a health maintenance organization is not insolvent and has been:*

*(1) Deemed to be impaired pursuant to section 143 of this act; or*

*(2) Placed under an order of rehabilitation or conservation by a court of competent jurisdiction.*

*(c) "Insolvency" or "insolvent" means that a health maintenance organization has been:*

*(1) Deemed to be insolvent pursuant to section 143 of this act;*

*(2) Declared insolvent by a court of competent jurisdiction; or*

*(3) Placed under an order of liquidation by a court of competent jurisdiction.*

(d) "Medical facility" has the meaning ascribed to it in NRS 449.0151.

(e) "Medically necessary" has the meaning ascribed to it in NRS 695G.055.

(f) "Provider of health care" has the meaning ascribed to it in NRS 629.031.

Sec. 143. 1. A health maintenance organization shall be deemed to be insolvent if:

(a) The health maintenance organization fails to meet its obligations as they mature; and

(b) The assets of the health maintenance organization are less than the sum of its liabilities and the minimum surplus required to be maintained by the health maintenance organization under this Code for authority to transact business in this State.

2. In addition to the provisions of subsection 1, a health maintenance organization shall be deemed to be insolvent as otherwise expressly provided in this Code.

3. A health maintenance organization shall be deemed to be impaired if the assets of the health maintenance organization are less than the sum of its liabilities and the minimum surplus required to be maintained by the health maintenance organization under this Code for authority to transact business in this State.

4. The Commissioner may adopt regulations to define when a health maintenance organization is considered to be in a hazardous financial condition and to set forth the standards to be considered by the Commissioner in determining whether the continued operation of a health maintenance organization transacting business in this State may be considered to be hazardous to its enrollees or creditors or to the general public.

5. If the Commissioner determines after a hearing that any health maintenance organization is in a hazardous financial condition, the Commissioner may, instead of suspending or revoking the certificate of authority of the health maintenance organization, limit the certificate of authority as the Commissioner deems reasonably necessary to correct, eliminate or remedy any conduct, condition or ground that is deemed to be a cause of the hazardous financial condition.

6. An order or decision of the Commissioner under this section is subject to review in accordance with NRS 679B.310 to 679B.370, inclusive, at the request of any party to the proceedings whose interests are substantially affected.

Sec. 144. 1. Each health maintenance organization shall develop, submit to the Commissioner for approval and, after such approval, put into effect a plan to provide for the continuation of benefits to enrollees in the event of the insolvency or impairment of the health maintenance organization, including, without limitation, the benefits described in subsection 2 of section 142 of this act. A plan developed pursuant to this subsection must include, without limitation:

(a) A contract of insurance which complies with the requirements of section 142 of this act; and

*(b) Provisions in each contract between the health maintenance organization and a provider which obligate the provider, in the event of the health maintenance organization's insolvency or impairment, to provide all covered services as described in the contract to enrollees through the periods of time described in subsection 2 of section 142 of this act.*

*2. Before approving a plan submitted pursuant to subsection 1, the Commissioner may require the health maintenance organization to include in the plan:*

*(a) Reserves or additional reserves for protection against insolvency or impairment;*

*(b) Letters of credit acceptable to the Commissioner; and*

*(c) Any other arrangements determined by the Commissioner to be appropriate to ensure the continuation of benefits as described in subsection 2 of section 142 of this act to enrollees.*

*Sec. 145. 1. If the Commissioner determines that, because of the financial condition of a health maintenance organization, the continued operation of the health maintenance organization is or may be hazardous to its enrollees or creditors or to the general public, or that the health maintenance organization has violated any law of this State to which the health maintenance organization is subject, the Commissioner may, after notice and a hearing, order the health maintenance organization to take any action the Commissioner deems reasonably necessary to correct, eliminate or remedy the condition or violation, including, without limitation:*

*(a) Reducing the total amount of the present and potential liability of the health maintenance organization for benefits by reinsurance or any other method acceptable to the Commissioner;*

*(b) Suspending, limiting or reducing the volume of new business being written or accepted by the health maintenance organization for any period of time specified by the Commissioner;*

*(c) Reducing the expenses of the health maintenance organization by any method acceptable to the Commissioner; and*

*(d) Increasing the capital and surplus of the health maintenance organization by contribution.*

*2. The Commissioner may adopt regulations to:*

*(a) Set standards and criteria for early warning that the continued operation of a health maintenance organization may be hazardous to its enrollees or creditors or to the general public; and*

*(b) For the purposes of subsection 1, set standards for evaluating the financial condition of a health maintenance organization.*

*3. The authority conferred upon the Commissioner pursuant to this section is in addition to the authority of the Commissioner pursuant to chapter 696B of NRS. Any order issued by the Commissioner pursuant to this section may, at the discretion of the Commissioner, be in addition to any order issued by the Commissioner pursuant to chapter 696B of NRS.*

Sec. 146. 1. Any conservation, rehabilitation or liquidation of a health maintenance organization shall be deemed to be the conservation, rehabilitation or liquidation of an insurer and must be conducted under the supervision of the Commissioner pursuant to chapter 696B of NRS.

2. The Commissioner may apply to a court of competent jurisdiction for an order directing the Commissioner to conserve, rehabilitate or liquidate a health maintenance organization:

(a) Upon any ground provided in chapter 696B of NRS; or

(b) If, as determined by the Commissioner, the continued operation of the health maintenance organization is or may be hazardous to its enrollees or creditors or to the general public.

3. In the event of a rehabilitation or liquidation of a health maintenance organization, a claim of an enrollee or of a beneficiary of an enrollee shall be deemed to have the same priority as would be provided to a claim of a policyholder or insured of an insurer, or of a beneficiary of such a policyholder or insured, in the event of the rehabilitation or liquidation of the insurer.

4. In the event of a distribution of the general assets of a health maintenance organization:

(a) If an enrollee is liable to a provider for health care services provided pursuant to and covered by the applicable health care plan, that liability shall be deemed to be a claim of the enrollee for distribution of the general assets of the health maintenance organization.

(b) A provider under contract with the health maintenance organization who is obligated by law or contract to hold an enrollee harmless from liability for health care services provided pursuant to and covered by the applicable health care plan shall be deemed to have a priority for distribution of the general assets of the health maintenance organization immediately following that of an enrollee as described in this section and immediately preceding any other priority for distribution which, pursuant to this section and chapter 696B of NRS, would follow that of an enrollee.

Sec. 147. NRS 695C.055 is hereby amended to read as follows:

695C.055 1. The provisions of NRS 449.465, 679A.200, 679B.700, subsections 6 and 7 of NRS 680A.270, subsections 2, 4, 18, 19 and 32 of NRS 680B.010, NRS 680B.020 to 680B.060, inclusive, chapter 686A of NRS, NRS 687B.500 and ~~chapter~~ chapters 692C and 695G of NRS apply to a health maintenance organization.

2. For the purposes of subsection 1, unless the context requires that a provision apply only to insurers, any reference in those sections to "insurer" must be replaced by "health maintenance organization."

Sec. 148. NRS 695C.080 is hereby amended to read as follows:

695C.080 1. The Commissioner shall determine whether the applicant for a certificate of authority, with respect to health care services to be furnished:

(a) Has demonstrated the willingness and ability to ensure that such health care services will be provided in a manner to ensure both availability and accessibility of adequate personnel and facilities and in a manner enhancing availability, accessibility and continuity of service;

(b) Has organizational arrangements, established in accordance with regulations promulgated by the Commissioner ; ~~and in consultation with the State Board of Health;~~ and

(c) Has a procedure established in accordance with regulations of the Commissioner to develop, compile, evaluate and report statistics relating to the cost of its operations, the pattern of utilization of its services, the availability and accessibility of its services and such other matters as may be reasonably required by the Commissioner.

2. Within 90 days of receipt of the application for issuance of a certificate of authority, the Commissioner shall certify whether the proposed health maintenance organization meets the requirements of subsection 1. If the Commissioner certifies that the health maintenance organization does not meet such requirements, it shall specify in what respects it is deficient.

Sec. 149. NRS 695C.310 is hereby amended to read as follows:

695C.310 1. The Commissioner shall make an examination of the affairs of any health maintenance organization and providers with whom such organization has contracts, agreements or other arrangements pursuant to its health care plan as often as the Commissioner deems it necessary for the protection of the interests of the people of this State ~~{An examination must be made}~~, but not less frequently than once every 3 years.

2. The Commissioner shall make an examination concerning ~~{the quality of health care services of any health maintenance organization and providers with whom such organization has contracts, agreements or other arrangements pursuant to its health care plan}~~ *any compliance program used by a health maintenance organization and any report, as determined to be appropriate by the Commissioner, regarding the health maintenance organization produced by an organization which examines best practices in the insurance industry. The Commissioner shall make such an examination as often as ~~{it}~~ the Commissioner deems it necessary for the protection of the interests of the people of this State ~~{An examination must be made}~~*, but not less frequently than once every 3 years.

3. ~~{Every}~~ *In making an examination pursuant to subsection 1 or 2, the Commissioner:*

(a) *Shall determine whether the health maintenance organization is in compliance with this Code, including, without limitation, whether any relationship or transaction between the health maintenance organization and any another health maintenance organization is in compliance with this Code; and*

(b) *May examine any account, record, document or transaction of any health maintenance organization or any provider which relates to:*

(1) *Compliance with this Code by the health maintenance organization which is the subject of the examination;*

(2) *Any relationship or transaction between the health maintenance organization which is the subject of the examination and any other health maintenance organization; or*

(3) *Any relationship or transaction between the health maintenance organization which is the subject of the examination and any provider.*

4. *Except as otherwise provided in this subsection, for the purposes of an examination pursuant to subsection 1 or 2, each health maintenance organization and provider shall, upon the request of the Commissioner or an examiner designated by the Commissioner, submit its books and records relating to ~~the~~ any applicable health care plan to ~~an examination made pursuant to subsection 1 or 2 and in every way facilitate the examination.~~ the Commissioner or the examiner, as applicable. Medical records of natural persons and records of physicians providing service pursuant to a contract ~~to the~~ with a health maintenance organization are not subject to such examination, although the records, except privileged medical information, are subject to subpoena upon a showing of good cause. For the purpose of examinations, the Commissioner may administer oaths to, and examine the officers and agents of ~~the~~ a health maintenance organization and the principals of ~~such~~ providers concerning their business.*

~~[4.]~~ 5. The expenses of examinations pursuant to this section must be assessed against the *health maintenance organization* being examined and remitted to the Commissioner.

~~[5.]~~ 6. In lieu of ~~such~~ an examination ~~[.]~~ pursuant to this section, the Commissioner may accept the report of an examination made by the insurance commissioner ~~for the state board of health~~ of another state ~~[.]~~ or an applicable regulatory agency of another state.

Sec. 150. 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, 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 ~~or~~ *or creditors or to the general public*;

(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. 151. Chapter 695D of NRS is hereby amended by adding thereto the provisions set forth as sections 152 and 153 of this act.

Sec. 152. 1. *The Commissioner may adopt regulations to define when an organization for dental care is considered to be in a hazardous financial condition and to set forth the standards to be considered by the Commissioner*



*in determining whether the continued operation of an organization for dental care transacting business in this State may be considered to be hazardous to its members or creditors or to the general public.*

2. *If the Commissioner determines after a hearing that any organization for dental care is in a hazardous financial condition, the Commissioner may, instead of suspending or revoking the certificate of authority of the organization, limit the certificate of authority as the Commissioner deems reasonably necessary to correct, eliminate or remedy any conduct, condition or ground that is deemed to be a cause of the hazardous financial condition.*

3. *An order or decision of the Commissioner under this section is subject to review in accordance with NRS 679B.310 to 679B.370, inclusive, at the request of any party to the proceedings whose interests are substantially affected.*

Sec. 153. *Each organization for dental care which receives a certificate of authority shall maintain a capital account with a net worth of not less than \$500,000 unless a lesser amount is permitted in writing by the Commissioner. The account must not be obligated for any accrued liabilities and must consist of cash, securities or a combination thereof which is acceptable to the Commissioner.*

Sec. 154. NRS 695D.095 is hereby amended to read as follows:

695D.095 1. An organization for dental care is not exempt from the provisions of NRS 679B.700. If an organization is an admitted health insurer, as that term is defined in NRS 449.450, it is not exempt from the fees imposed pursuant to NRS 449.465.

2. *For the purposes of this section and the provisions set forth in subsection 1, an organization for dental care is included in the meaning of the term "insurer."*

Sec. 155. NRS 695D.170 is hereby amended to read as follows:

695D.170 1. ~~Before~~ *Except as otherwise provided in this section, before a certificate of authority may be issued to an organization for dental care:*

(a) The officers responsible for operating the organization must file with the Commissioner a collective fidelity bond for \$1,000,000; and

(b) The organization must file with the Commissioner a surety bond in the sum of ~~[\$250,000]~~ \$500,000 or deposit with the Commissioner cash or securities acceptable to the Commissioner in the sum of ~~[\$250,000,]]~~ \$500,000,

↪ to guarantee the organization's performance pursuant to this chapter.

2. If the bond is furnished in:

(a) Cash, the Commissioner shall deposit the money in the State Treasury for credit to the Fund for Bonds of Organizations for Dental Care which is hereby created as a trust fund.

(b) Negotiable securities, the principal must be placed without restriction at the disposal of the Commissioner, but any income must inure to the benefit of the organization.

3. The Commissioner may reduce the *required amount of the organization's surety bond or deposit*:

(a) To \$125,000, if the obligations assumed by the organization under the plan can be satisfied for less than \$125,000.

(b) To any amount if the organization demonstrates that it has commitments of money from federal, state or municipal governments or their political subdivisions or other comparable resources which are sufficient to ensure the ability of the organization to satisfy its obligations.

4. *The Commissioner may increase the required amount of the organization's surety bond or deposit to any amount the Commissioner determines to be appropriate pursuant to subsection 5 if the Commissioner determines that the current level of the surety bond or deposit is insufficient to provide protection to the members in the event of:*

*(a) Insolvency; or*

*(b) A determination by the Commissioner that the organization is in a hazardous financial condition.*

5. *When determining the appropriate amount of an increase pursuant to subsection 4, the Commissioner must base his or her determination on the type, volume and nature of premiums written and premiums assumed by the organization.*

6. *The amount of the organization's surety bond or deposit required pursuant to this section:*

*(a) Is in addition to any reserve required by this chapter and any reserve established by the organization according to good business and accounting practices for incurred but unreported claims and other similar claims;*

*(b) May increase the amount of net worth required pursuant to this chapter; and*

*(c) May increase the amount of risk-based capital required pursuant to NRS 681B.550.*

7. Any final judgment against the organization which is unpaid is a lien on the *surety bond or deposit* and is subject to execution 30 days after entry of the judgment. Any *surety bond or deposit* which is reduced by this lien must be increased by the organization to the amount required by this section within 90 days after the judgment is paid.

~~{5-}~~ 8. If an organization is dissolved, liquidated or otherwise terminated:

(a) That amount of the *surety bond or deposit* which is necessary to satisfy the outstanding obligations of the organization may not be withdrawn for at least 3 years after the certificate of authority has been terminated.

(b) Any balance remaining after money has been withheld to pay the organization's debts and liens must be paid to the organization by the Commissioner no later than 90 days after the certificate of authority has been terminated.

Sec. 156. Chapter 695F of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Commissioner may adopt regulations to define when a prepaid limited health service organization is considered to be in a hazardous financial condition and to set forth the standards to be considered by the Commissioner in determining whether the continued operation of a prepaid limited health service organization transacting business in this State may be considered to be hazardous to its enrollees or creditors or to the general public.*

2. *If the Commissioner determines after a hearing that any prepaid limited health service organization is in a hazardous financial condition, the Commissioner may, instead of suspending or revoking the prepaid limited health service organization's certificate of authority, limit the certificate of authority of the prepaid limited health service organization as the Commissioner deems reasonably necessary to correct, eliminate or remedy any conduct, condition or ground that is deemed to be a cause of the hazardous financial condition.*

3. *An order or decision of the Commissioner under this section is subject to review in accordance with NRS 679B.310 to 679B.370, inclusive, at the request of any party to the proceedings whose interests are substantially affected.*

Sec. 157. NRS 695F.090 is hereby amended to read as follows:

695F.090 1. Prepaid limited health service organizations are subject to the provisions of this chapter and to the following provisions, to the extent reasonably applicable:

~~{1-}~~ (a) NRS 687B.310 to 687B.420, inclusive, concerning cancellation and nonrenewal of policies.

~~{2-}~~ (b) NRS 687B.122 to 687B.128, inclusive, concerning readability of policies.

~~{3-}~~ (c) The requirements of NRS 679B.152.

~~{4-}~~ (d) The fees imposed pursuant to NRS 449.465.

~~{5-}~~ (e) NRS 686A.010 to 686A.310, inclusive, concerning trade practices and frauds.

~~{6-}~~ (f) The assessment imposed pursuant to NRS 679B.700.

~~{7-}~~ (g) Chapter 683A of NRS.

~~{8-}~~ (h) To the extent applicable, the provisions of NRS 689B.340 to 689B.580, inclusive, and chapter 689C of NRS relating to the portability and availability of health insurance.

~~{9-}~~ (i) NRS 689A.035, 689A.0463, 689A.410, 689A.413 and 689A.415.

~~{10-}~~ (j) NRS 680B.025 to 680B.039, inclusive, concerning premium tax, premium tax rate, annual report and estimated quarterly tax payments. For the purposes of this subsection, unless the context otherwise requires that a section apply only to insurers, any reference in those sections to "insurer" must be replaced by a reference to "prepaid limited health service organization."

~~{11-}~~ (k) Chapter 692C of NRS, concerning holding companies.

~~{12-}~~ (l) NRS 689A.637, concerning health centers.

2. *For the purposes of this section and the provisions set forth in subsection 1, a prepaid limited health service organization is included in the meaning of the term "insurer."*

Sec. 158. NRS 695F.200 is hereby amended to read as follows:

695F.200 ~~{Each}~~

1. *Except as otherwise provided in this section, each prepaid limited health service organization which receives a certificate of authority shall maintain a:*

~~{1.}~~ (a) *Capital account with a net worth of not less than ~~[\$200,000]~~ \$500,000 unless a lesser amount is permitted in writing by the Commissioner. The account must not be obligated for any accrued liabilities and must consist of cash, securities or a combination thereof which is acceptable to the Commissioner.*

~~{2.}~~ (b) *Surety bond or deposit of cash or securities for the protection of enrollees of not less than ~~[\$250,000.]~~ \$500,000.*

2. *The Commissioner may increase the required amount of the organization's capital account and the surety bond or deposit to any amounts the Commissioner determines to be appropriate pursuant to subsection 3 if the Commissioner determines that such an increase is necessary to:*

(a) *Assist the Commissioner in the performance of his or her regulatory duties;*

(b) *Ensure that the organization complies with the requirements of this Code; or*

(c) *Ensure the solvency of the organization.*

3. *When determining the appropriate amount of an increase pursuant to subsection 2, the Commissioner must base his or her determination on the type, volume and nature of premiums written and premiums assumed by the organization.*

4. *The amount of the organization's capital account and surety bond or deposit required pursuant to this section:*

(a) *Is in addition to any reserve required by this chapter and any reserve established by the organization according to good business and accounting practices for incurred but unreported claims and other similar claims; and*

(b) *May increase the amount of risk-based capital required pursuant to NRS 681B.550.*

5. *The amount of the organization's surety bond or deposit required pursuant to this section may increase the amount of net worth required pursuant to this section.*

Sec. 159. NRS 695G.130 is hereby amended to read as follows:

695G.130 1. *In addition to any other report which is required to be filed with the Commissioner, each managed care organization shall file with the Commissioner, ~~[on or before March 1 of each year,]~~ with its annual filing made pursuant to NRS 686B.070 of forms and rates relating to policies of insurance for individuals and small employer groups, a report regarding its methods for reviewing the quality of health care services provided to its insureds.*

~~{2. Each managed care organization shall include in its report the criteria, data, benchmarks or studies used to:~~

~~—(a) Assess the nature, scope, quality and accessibility of health care services provided to insureds; or~~

~~—(b) Determine any reduction or modification of the provision of health care services to insureds.~~

~~—3. Except as already required to be filed with the Commissioner, if the managed care organization is not owned and operated by a public entity and has more than 100 insureds, the report filed pursuant to subsection 1 must include:~~

~~—(a) A copy of all of its quarterly and annual financial reports;~~

~~—(b) A statement of any financial interest it has in any other business which is related to health care that is greater than 5 percent of that business or \$5,000, whichever is less; and~~

~~—(c) A description of each complaint filed with or against it that resulted in arbitration, a lawsuit or other legal proceeding, unless disclosure is prohibited by law or a court order.~~

~~—4.} The report must be submitted on a form prescribed by the Commissioner.~~

2. A report filed pursuant to this section must be made available for public inspection within a reasonable time after it is received by the Commissioner.

3. As used in this section, "small employer" has the meaning ascribed to it in NRS 689C.095.

Sec. 160. NRS 695G.200 is hereby amended to read as follows:

695G.200 1. Each managed care organization shall establish a system for resolving complaints of an insured concerning:

(a) Payment or reimbursement for covered health care services;

(b) Availability, delivery or quality of covered health care services, including, without limitation, an adverse determination made pursuant to utilization review; or

(c) The terms and conditions of a health care plan.

➡ The system must be approved by the Commissioner . ~~{in consultation with the State Board of Health.}~~

2. If an insured makes an oral complaint, a managed care organization shall inform the insured that if the insured is not satisfied with the resolution of the complaint, the insured must file the complaint in writing to receive further review of the complaint.

3. Each managed care organization shall:

(a) Upon request, assign an employee of the managed care organization to assist an insured or other person in filing a complaint or appealing a decision of the review board;

(b) Authorize an insured who appeals a decision of the review board to appear before the review board to present testimony at a hearing concerning the appeal; and

(c) Authorize an insured to introduce any documentation into evidence at a hearing of a review board and require an insured to provide the documentation required by the health care plan of the insured to the review board not later than 5 business days before a hearing of the review board.

4. The Commissioner may examine the system for resolving complaints established pursuant to this section at such times as ~~either~~ *the Commissioner* deems necessary or appropriate.

Sec. 161. NRS 695G.220 is hereby amended to read as follows:

695G.220 1. Each managed care organization shall submit to the Commissioner an annual report regarding its system for resolving complaints established pursuant to NRS 695G.200 on a form prescribed by the Commissioner ~~[in consultation with the State Board of Health]~~ which includes, without limitation:

(a) A description of the procedures used for resolving complaints of an insured;

(b) The total number of complaints and appeals handled through the system for resolving complaints since the last report and a compilation of the causes underlying the complaints filed;

(c) The current status of each complaint and appeal filed; and

(d) The average amount of time that was needed to resolve a complaint and an appeal, if any.

2. Each managed care organization shall maintain records of complaints filed with it which concern something other than health care services and shall submit to the Commissioner a report summarizing such complaints at such times and in such format as the Commissioner may require.

Sec. 162. (Deleted by amendment.)

Sec. 163. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 41.071, 49.095, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 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, 130.712, 136.050, 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, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 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, 241.039, 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, 289.830, 293.5002, 293.503, 293.558, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.16925, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 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, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 391.035, 392.029, 392.147, 392.264, 392.271, 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, 408.3888, 408.5484, 412.153, 416.070, 422.2749, 422.305, 422A.342, 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, 439.840, 439B.420, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 445A.665, 445B.570, 449.209, 449.245, 449.720, 450.140, 453.164, 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, 480.365, 481.063, 482.170, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484E.070, 485.316, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.583, 584.655, 587.877, 598.0964, 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.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368, 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055, 634.214, 634A.185, 635.158, 636.107, 637.085, 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.410, 681B.540, 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.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 703.196, 704B.320, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and sections 8 and 92 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. 164. NRS 266.355 is hereby amended to read as follows:

266.355 1. Except as otherwise provided in subsections 3, 4 and 5, the city council may:

(a) Except as otherwise provided in NRS 268.0881 to 268.0888, inclusive, 598D.150 and 640C.100, regulate all businesses, trades and professions.

(b) Except as otherwise provided in NRS 576.128, fix, impose and collect a license tax for revenue upon all businesses, trades and professions.

2. The city council may establish any equitable standard to be used in fixing license taxes required to be collected pursuant to this section.

3. The city council may license insurance ~~agents, brokers,~~ analysts, adjusters and managing general agents *and producers of insurance* within the limitations and under the conditions prescribed in NRS 680B.020.

4. A city council shall not require that a person who is licensed as a contractor pursuant to chapter 624 of NRS obtain more than one license to engage in the business of contracting or pay more than one license tax related to engaging in the business of contracting, regardless of the number of classifications or subclassifications of licensing for which the person is licensed pursuant to chapter 624 of NRS.



5. The city council shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

Sec. 165. NRS 269.170 is hereby amended to read as follows:

269.170 1. Except as otherwise provided in subsection 5 and NRS 576.128, 598D.150 and 640C.100, the town board or board of county commissioners may, in any unincorporated town:

(a) Fix and collect a license tax on, and regulate, having due regard to the amount of business done by each person so licensed, and all places of business and amusement so licensed, as follows:

(1) Artisans, artists, assayers, auctioneers, bakers, banks and bankers, barbers, boilermakers, cellars and places where soft drinks are kept or sold, clothes cleaners, foundries, laundries, lumberyards, manufacturers of soap, soda, borax or glue, markets, newspaper publishers, pawnbrokers, funeral directors and wood and coal dealers.

(2) Bootmakers, cobblers, dressmakers, milliners, shoemakers and tailors.

(3) Boardinghouses, hotels, lodging houses, restaurants and refreshment saloons.

(4) Barrooms, gaming, manufacturers of liquors and other beverages, and saloons.

(5) Billiard tables, bowling alleys, caravans, circuses, concerts and other exhibitions, dance houses, melodeons, menageries, shooting galleries, skating rinks and theaters.

(6) Corrals, hay yards, livery and sale stables and wagon yards.

(7) Electric light companies, illuminating gas companies, power companies, telegraph companies, telephone companies and water companies.

(8) Carts, drays, express companies, freight companies, job wagons, omnibuses and stages.

(9) Brokers, commission merchants, factors, general agents, mercantile agents, merchants, traders and stockbrokers.

(10) Drummers, hawkers, peddlers and solicitors.

(11) Insurance ~~agents, brokers,~~ analysts, adjusters and managing general agents *and producers of insurance* within the limitations and under the conditions prescribed in NRS 680B.020.

(b) Fix and collect a license tax upon all professions, trades or business within the town not specified in paragraph (a).

2. No license to engage in business as a seller of tangible personal property may be granted unless the applicant for the license presents written evidence that:

(a) The Department of Taxation has issued or will issue a permit for this activity, and this evidence clearly identifies the business by name; or

(b) Another regulatory agency of the State has issued or will issue a license required for this activity.

3. Any license tax levied for the purposes of NRS 244A.597 to 244A.655, inclusive, constitutes a lien upon the real and personal property of the business upon which the tax was levied until the tax is paid. The lien must be enforced in the same manner as liens for ad valorem taxes on real and personal property. The town board or other governing body of the unincorporated town may delegate the power to enforce such liens to the county fair and recreation board.

4. The governing body or the county fair and recreation board may agree with the Department of Taxation for the continuing exchange of information concerning taxpayers.

5. The town board or board of county commissioners shall not require a person to obtain a license or pay a license tax on the sole basis that the person is a professional. As used in this subsection, "professional" means a person who:

(a) Holds a license, certificate, registration, permit or similar type of authorization issued by a regulatory body as defined in NRS 622.060, or who is regulated pursuant to the Nevada Supreme Court Rules; and

(b) Practices his or her profession for any type of compensation as an employee.

Sec. 166. NRS 616A.330 is hereby amended to read as follows:

616A.330 "Tangible net worth" means the value of all the assets, minus the value of all the liabilities, of a *self-insured employer or* an association of self-insured private employers ~~for of a member of such an association~~ except:

1. Goodwill or excess cost over the fair market value of assets.

2. Any other items listed in the assets that are deemed unacceptable by the Commissioner because they cannot be justified or because they do not directly support the ability of the *self-insured employer or* association ~~for the member~~ to pay a claim.

Sec. 166.3. NRS 616B.386 is hereby amended to read as follows:

616B.386 1. If an employer wishes to become a member of an association of self-insured public or private employers, the employer must:

(a) Submit an application for membership to the board of trustees or third party administrator of the association; and

(b) Enter into an indemnity agreement as required by NRS 616B.353.

2. The membership of the applicant becomes effective when each member of the association approves the application or on a later date specified by the association. The application for membership and the action taken on the application must be maintained as permanent records of the board of trustees.

3. Each member who is a member of an association during the 12 months immediately following the formation of the association must:

(a) Have a tangible net worth of at least \$500,000; or

(b) Have had a reported payroll for the previous 12 months which would have resulted in a manual premium of at least \$15,000, calculated in accordance with a manual prepared pursuant to subsection 4 of NRS 686B.1765.

4. An employer who seeks to become a member of the association after the 12 months immediately following the formation of the association must meet the requirement set forth in paragraph (a) or (b) of subsection 3 unless the Commissioner adjusts the requirement for membership in the association after conducting an annual review of the actuarial solvency of the association pursuant to subsection 1 of NRS 616B.353.

5. An association of self-insured private employers may apply to the Commissioner for authority to determine the amount of tangible net worth and manual premium that an employer must have to become a member of the association. The Commissioner shall approve the application if the association:

(a) Has been certified to act as an association for at least the 3 consecutive years immediately preceding the date on which the association filed the application with the Commissioner;

(b) Has, as determined by the Commissioner, either:

(1) A combined tangible net worth of all members in the association of at least \$5,000,000; or

(2) Combined net cash flows from operating activities plus net cash flows from financing activities of all members in the association of five times the average of claims paid for each of the last 3 years or \$7,500,000, whichever is less;

(c) Has at least 15 members; and

(d) Has not been required to meet informally with the Commissioner pursuant to subsection 1 of NRS 616B.431 during the 18-month period immediately preceding the date on which the association filed the application with the Commissioner or, if the association has been required to attend such a meeting during that period, has not had its certificate withdrawn before the date on which the association filed the application.

6. An association of self-insured private employers may apply to the Commissioner for authority to determine the documentation demonstrating solvency that an employer must provide to become a member of the association. The Commissioner shall approve the application if the association:

(a) Has been certified to act as an association for at least the 3 consecutive years immediately preceding the date on which the association filed the application with the Commissioner;

(b) Has, as determined by the Commissioner, either:

(1) A combined tangible net worth of all members in the association of at least \$5,000,000; or

(2) Combined net cash flows from operating activities plus net cash flows from financing activities of all members in the association of five times the average of claims paid for each of the last 3 years or \$7,500,000, whichever is less; and

(c) Has at least 15 members.

7. The Commissioner may withdraw approval of an application submitted pursuant to subsection 5 or 6 if the Commissioner determines the association has ceased to comply with any of the requirements set forth in subsection 5 or 6, as applicable.

8. A member of an association of self-insured public or private employers may terminate his or her membership at any time. To terminate his or her membership, a member must submit to the association's administrator a notice of intent to withdraw from the association at least 120 days before the effective date of withdrawal. The notice of intent to withdraw ~~(must include a statement indicating)~~ shall be deemed rescinded if the member does not provide to the association before the expiration of the 120-day period proof that the member has:

(a) Been certified as a self-insured employer pursuant to NRS 616B.312;

(b) Become a member of another association of self-insured public or private employers; or

(c) Become insured by a private carrier.

9. The members of an association may cancel the membership of any member of the association in accordance with the bylaws of the association.

10. The association shall:

(a) Within 30 days after the addition of an employer to the membership of the association, notify the Commissioner of the addition and:

(1) If the association has not received authority from the Commissioner pursuant to subsection 5 or 6, as applicable, provide to the Commissioner all information and assurances for the new member that were required from each of the original members of the association upon its organization; or

(2) If the association has received authority from the Commissioner pursuant to subsection 5 or 6, as applicable, provide to the Commissioner evidence that is satisfactory to the Commissioner that the new member is a member or associate member of the bona fide trade association as required pursuant to paragraph (a) of subsection 2 of NRS 616B.350, a copy of the indemnity agreement that jointly and severally binds the new member, the other members of the association and the association that is required to be executed pursuant to paragraph (a) of subsection 1 of NRS 616B.353 and any other information the Commissioner may reasonably require to determine whether the amount of security deposited with the Commissioner pursuant to paragraph (d) or (e) of subsection 1 of NRS 616B.353 is sufficient, but such information must not exceed the information required to be provided to the Commissioner pursuant to subparagraph (1);

(b) Notify the Commissioner and the Administrator of the termination or cancellation of the membership of any member of the association within 10 days after the termination or cancellation; and

(c) At the expense of the member whose membership is terminated or cancelled, maintain coverage for that member for 60 days after notice is given

pursuant to paragraph (b), unless the association first receives notice from the Administrator that the member has:

- (1) Been certified as a self-insured employer pursuant to NRS 616B.312;
- (2) Become a member of another association of self-insured public or private employers; or
- (3) Become insured by a private carrier.

11. If a member of an association changes his or her name or form of organization, the member remains liable for any obligations incurred or any responsibilities imposed pursuant to chapters 616A to 617, inclusive, of NRS under the member's former name or form of organization.

12. An association is liable for the payment of any compensation required to be paid by a member of the association pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS during the member's period of membership. The insolvency or bankruptcy of a member does not relieve the association of liability for the payment of the compensation.

Sec. 166.5. 1. The provisions of NRS 689A.630, as amended by section 98 of this act, apply to any discontinuation of a product that occurs on or after the effective date of section 98 of this act.

2. The provisions of NRS 689B.560, as amended by section 110 of this act, apply to any discontinuation of a product offered to employers that occurs on or after the effective date of section 110 of this act.

3. The provisions of NRS 689C.310, as amended by section 112 of this act, apply to any discontinuation of a product offered to small employers that occurs on or after the effective date of section 112 of this act.

4. The provisions of NRS 689C.470, as amended by section 114 of this act, apply to any discontinuation of a product offered to a small employer or purchasers pursuant to NRS 689C.360 to 689C.600, inclusive, that occurs on or after the effective date of section 114 of this act.

Sec. 167. 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. 168. NRS 680A.290, 689A.390, 689A.400, 689A.690, 689B.027, 689B.028, 689C.270, 689C.280, 689C.330, 689C.440, 689C.450, 690B.370, 695B.172, 695B.174 and 695F.215 are hereby repealed.

Sec. 169. 1. Sections 98, 110, 112 and 114 of this act become effective upon passage and approval.

2. This section and sections 1 to 97, inclusive, 99 to 109, inclusive, 111, 113, 115 to 152, inclusive, 154, 156, 157 and 159 to 168, 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 July 1, 2017, for all other purposes.

3. Sections 153, 155 and 158 of this act become effective:

(a) Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative acts that are necessary to carry out the provisions of this act; and

(b) On January 1, 2018, for all other purposes.

#### LEADLINES OF REPEALED SECTIONS

680A.290 Loss prevention reports and programs.

689A.390 Summary of coverage: Contents of disclosure; approval by Commissioner.

689A.400 Summary of coverage: Copy to be provided before policy issued; policy may not be offered unless summary approved by Commissioner.

689A.690 Information required to be disclosed as part of solicitation and sales materials; information required to be maintained at place of business.

689B.027 Summary of coverage: Contents of disclosure; approval by Commissioner; copy to be made available to employer or producer acting on behalf of employer.

689B.028 Summary of coverage: Copy to be provided before policy issued; policy may not be offered unless summary approved by Commissioner.

689C.270 Regulations concerning disclosures by carrier to small employer; copy of disclosure to be made available to small employer.

689C.280 Carrier to provide required disclosures to small employer before issuing policy of insurance.

689C.330 When insurer is required to allow employee to continue coverage after employee is no longer covered by health benefit plan.

689C.440 Regulations regarding required disclosures by carrier.

689C.450 Carrier to provide disclosure before issuing contract.

690B.370 Annual report on loss prevention and control programs.

695B.172 Summary of coverage: Contents of disclosure; approval by Commissioner.

695B.174 Summary of coverage: Copy to be provided before policy issued; policy not to be offered unless summary approved by Commissioner.

695F.215 Required contract with insurance company for provision of insurance, indemnity or reimbursement against cost of health care services.

Senator Atkinson moved the adoption of the amendment.

Remarks by Senator Atkinson.

Amendment No. 853 to Assembly Bill No. 83 requires that a notice of intent to withdraw from an association of self-insured public or private employers be deemed rescinded if the member does not provide proof to the association before the expiration of the 120-day period that he or she has replaced his or her membership to the association with some other type of insurance.

Amendment adopted.

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

Assembly Bill No. 160.

Bill read second time.

The following amendment was proposed by Senators Atkinson and Gansert:

Amendment No. 862.

SUMMARY—~~[Requires consideration of alternatives to window replacement]~~ Revises provisions relating to energy efficiency in certain state buildings. (BDR 58-725)

AN ACT relating to energy; requiring the State Public Works Division of the Department of Administration to conduct an evaluation on installing alternatives to window replacement before replacing windows in certain public buildings; extending the maximum length of the terms of certain performance, lease-purchase and installment-purchase contracts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~—[This]~~ Section 1 of this bill requires the State Public Works Division of the Department of Administration to conduct an evaluation on the feasibility of using alternatives to window replacement before the Division replaces windows in certain public buildings. ~~[This bill]~~ and to consult with the Office of Historic Preservation of the State Department of Conservation and Natural Resources when making such an evaluation of a public building that is at least 50 years old. Section 1 further requires the Division to use an alternative to window replacement if the potential savings from use of the alternative exceed the costs of the alternative. ~~[This bill]~~ , except if otherwise recommended by the Office of Historic Preservation as to a public building that is at least 50 years old. Section 1 exempts the Division from performing such an evaluation before replacing windows in a state prison facility or institution or windows that are broken. ~~[This bill also requires the Division to obtain the approval of the Office of Historic Preservation of the State Department of Conservation and Natural Resources before replacing the windows or using an alternative to window replacement in a public building that is at least 50 years old.]~~

Existing law authorizes certain state agencies to enter into a performance contract with a qualified service company for the purchase and installation of one or more operating cost-savings measures, including modifications to windows, to reduce costs related to energy, water and the disposal of waste, and related labor costs. (NRS 333A.075) Existing law provides that the term of such a performance contract may not exceed 15 years after the date on which the work required by the performance contract is completed. (NRS 333A.040, 333A.100) Existing law also provides that the terms of certain installment-purchase and lease-purchase contracts entered into to finance a performance contract may not exceed 15 years after the date on which the work required by the installment-purchase or lease-purchase contract is completed. (NRS 333A.0902) Under existing law, the maximum permissible length of the terms of such performance contracts entered into by local governments is 25 years. (NRS 332.380) Sections 1.3 and 1.7 of this act increase the maximum permissible length of the terms of performance, installment-purchase and lease-purchase contracts entered into by authorized state agencies to 20 years after the date on which the work required by the performance, installment-purchase or lease-purchase contract is completed.

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

Section 1. Chapter 701B of NRS is hereby amended by adding thereto a new section to read as follows:

1. *When considering window replacement in public buildings, the State Public Works Division of the Department of Administration shall, except as otherwise provided in subsection 3, evaluate alternatives to window replacement, including, without limitation:*

- (a) *Weather stripping;*
- (b) *Interior window surface film;*
- (c) *Insulating cellular shades;*
- (d) *Exterior storm windows;*
- (e) *Interior window panels; or*
- (f) *Any combination of alternatives listed in paragraphs (a) to (e), inclusive.*

2. *An evaluation conducted pursuant to subsection 1 must include the cost of such alternatives to window replacements and potential savings from each alternative, including, without limitation, energy savings. ~~It~~ Except as otherwise provided in subsection 4, if the Division determines that the potential savings from the use of an alternative to window replacement exceed the costs of the alternative, the Division must use the alternative in lieu of window replacement.*

3. *The Division is not required to conduct an evaluation pursuant to subsection 1 before replacing:*

- (a) *The windows in a state prison facility or institution; or*
- (b) *A broken window.*

4. ~~[A determination]~~ *When evaluating whether to replace the windows or use an alternative to window replacement pursuant to subsection ~~(2)~~ 1 in a public building that is at least 50 years old, the Division must ~~be approved by~~ consult with the Office of Historic Preservation of the State Department of Conservation and Natural Resources. ~~Before the Division may use the alternative.] The Division is not required to use an alternative to window replacement in a public building that is at least 50 years old if the Office of Historic Preservation recommends against using the alternative.~~*

5. *As used in this section, "public building" means any building to which the provisions of NRS 341.1405 to 341.148, inclusive, apply.*

*Sec. 1.3. NRS 333A.0902 is hereby amended to read as follows:*

333A.0902 In connection with any installment-purchase contract or lease-purchase contract entered into to finance a performance contract, the Board may:

1. Grant a security interest in any property that is the subject of the installment-purchase contract or lease-purchase contract and execute an instrument to evidence such a security interest, including, without limitation, a deed of trust, a leasehold interest deed of trust, a mortgage or a financing agreement.

2. Offer certificates of participation.



3. If the installment-purchase contract or lease-purchase contract involves an improvement to property owned by the State of Nevada or the using agency, enter into a lease of the property to which the improvement will be made and any property that is adjacent to that property if the installment-purchase contract or lease-purchase contract:

(a) Except as otherwise provided in NRS 333A.0916, has a term of not more than ~~15~~ 20 years beyond the date on which construction of the work required by the installment-purchase contract or lease-purchase contract is completed; and

(b) Provides for rental payments that approximate the fair market rental of the property before the improvement is made, as determined by the Board at the time the parties enter into the lease, which must be paid if the installment-purchase contract or lease-purchase contract terminates before the expiration of the lease because the Legislature fails to appropriate money for payments due pursuant to the installment-purchase contract or lease-purchase contract.

➡ A lease entered into pursuant to this subsection may provide for nominal rental payments to be paid pursuant to the lease before the installment-purchase contract or lease-purchase contract terminates.

4. Enter into any other agreement, contract or arrangement that the Board determines would be beneficial to the purpose of the installment-purchase contract or lease-purchase contract, including, without limitation, contracts for professional services, trust indentures, paying agent agreements and contracts of insurance.

*Sec. 1.7. NRS 333A.100 is hereby amended to read as follows:*

333A.100 1. Notwithstanding any provision of this chapter to the contrary, a performance contract entered into pursuant to this chapter does not create a debt for the purposes of Section 3 of Article 9 of the Nevada Constitution.

2. Except as otherwise provided in this section, the term of a performance contract may extend beyond the biennium in which the contract is executed, provided that the performance contract contains a provision which states that all obligations of the State under the performance contract are extinguished at the end of any fiscal year if the Legislature fails to provide an appropriation to the using agency for the ensuing fiscal year for payments to be made under the performance contract. If the Legislature fails to appropriate money to a using agency for a performance contract, there is no remedy against the State, except that if a security interest in any property was created pursuant to the performance contract, the holder of such a security interest may enforce the security interest against that property. Except as otherwise provided in NRS 333A.0916, the term of a performance contract must not exceed ~~15~~ 20 years after the date on which the work required by the performance contract is completed.

3. The length of a performance contract may reflect the useful life of the operating cost-savings measure being installed or purchased under the performance contract.

Sec. 2. NRS 383.021 is hereby amended to read as follows:

383.021 1. The Office of Historic Preservation is hereby created.

2. The Office shall:

(a) Encourage, plan and coordinate historic preservation and archeological activities within the State, including programs to survey, record, study and preserve or salvage cultural resources.

(b) Compile and maintain an inventory of cultural resources in Nevada deemed significant by the Administrator.

(c) Designate repositories for the materials that comprise the inventory.

(d) Provide staff assistance to the Commission.

(e) ~~Consider requests from~~ Assist the State Public Works Division of the Department of Administration ~~pursuant to~~ in conducting the evaluation required by section 1 of this act ~~and approve the request if the Office determines the request promotes~~ with respect to a building that is at least 50 years old, including, without limitation, making a recommendation regarding the use of an alternative to window replacement based upon whether the use of the alternative is consistent with the goal of historic preservation.

3. The Comstock Historic District Commission is within the Office.

Sec. 3. This act becomes effective on July 1, 2017.

Senator Parks moved the adoption of the amendment.

Remarks by Senator Parks.

Amendment No. 862 to Assembly Bill No. 160 requires the State Public Works Division to consult with the Office of Historic Preservation when making an evaluation of a public building that is at least 50 years old. The Division must use an alternative to window replacement in such a building unless the Office of Historic Preservation recommends against using the alternative. It also extends the maximum length of the terms of certain performance, lease-purchase and installment-purchase contracts from 15 years to 20 years after the date on which work required by the contract is completed.

Amendment adopted.

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

#### UNFINISHED BUSINESS

##### CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 59.

The following Assembly Amendment was read:

Amendment No. 743.

SUMMARY—Revises provisions relating to the program to monitor prescriptions for certain controlled substances. (BDR 40-386)

AN ACT relating to controlled substances; requiring the uploading of certain information to the database of the program developed by the State Board of Pharmacy and the Investigation Division of the Department of Public Safety to monitor prescriptions for certain controlled substances; authorizing

an employee of a law enforcement agency or a coroner, medical examiner or deputy thereof who meets certain requirements to access the database of the program; expanding the scope of the program to include certain additional controlled substances; requiring a practitioner to obtain a patient utilization report before prescribing certain controlled substances; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the State Board of Pharmacy and the Investigation Division of the Department of Public Safety to develop a computerized program to track each prescription for a controlled substance listed in schedule II, III or IV filled by a pharmacy or dispensed by a practitioner registered with the Board. The program is required to be designed to provide information regarding: (1) the inappropriate use by a patient of certain controlled substances to pharmacies, practitioners and appropriate state and local governmental agencies to prevent the improper or illegal use of such controlled substances; and (2) statistical data relating to the use of those controlled substances. (NRS 453.162) Sections 2-3 of this bill expand the scope of the program to also track each prescription for a controlled substance listed in schedule V.

Existing law requires the Board to allow certain law enforcement officers to have Internet access to the database of the program only for the purpose of investigating a crime related to prescription drugs. (NRS 453.165) Section 4 of this bill instead requires the Board to allow an employee of a law enforcement agency to have Internet access to the database of the program under certain circumstances only for certain purposes.

Section 1.3 of this bill requires a law enforcement officer who ~~encounters certain situations involving~~ has probable cause to believe that a violation of chapter 453 of NRS concerning prescribed controlled substances has occurred or who receives a report of a stolen prescription for a controlled substance while acting in his or her official capacity and in the regular course of an investigation to report certain information to his or her employer. Section 1.3 requires a coroner, medical examiner or deputy thereof who determines, as the result of an investigation of the death of a person, that the person died as the result of using a prescribed controlled substance, to upload certain information to the database of the program or, if the coroner, medical examiner or deputy thereof does not have such access, report such information to a coroner, medical examiner or deputy thereof who has access to the database. Section 1.3 also requires the employer of the law enforcement officer or a coroner, medical examiner or deputy thereof to upload such reported information to the database of the program as soon as practicable after receiving the information except where the employer of a law enforcement officer determines that uploading the information will interfere with an active criminal investigation. In that case, the employer may postpone uploading the information until after the conclusion of the investigation. Section 1.3 further provides that each law enforcement officer, employer of a law enforcement

officer, coroner, medical examiner or deputy of a coroner or medical examiner who makes a good faith effort to comply with section 1.3, or a regulation adopted pursuant thereto, is immune from civil and criminal liability for any act or omission relating to the transmission of information pursuant to section 1.3. Section 1.6 of this bill authorizes a coroner, medical examiner or deputy thereof who meets certain requirements to access the database of the computerized program to: (1) upload information concerning the death of a person due to using a prescribed controlled substance; or (2) investigate the death of a person. Section 4 authorizes an employee of a law enforcement agency to access the database of the program to upload the information required by section 1.3.

Existing law requires a practitioner to obtain a patient utilization report from the computerized program before initiating a prescription for a controlled substance listed in schedule II, III or IV. Section 5.5 of this bill additionally requires a practitioner to obtain such a report before initiating a prescription for an opioid that is a controlled substance listed in schedule V.

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

Section 1. Chapter 453 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.6 of this act.

Sec. 1.3. 1. *If a law enforcement officer, while acting in his or her official capacity and in the regular course of an investigation:*

(a) *Encounters a situation in which the law enforcement officer has probable cause to believe that a violation of this chapter involving a prescription for a controlled substance is occurring or has occurred; or*

(b) ~~*Encounters a deceased person who the law enforcement officer believes died as a result of using a prescribed controlled substance; or*~~

~~*(c) Receives a report of a stolen prescription for a controlled substance,*~~  
→ *the law enforcement officer shall report to his or her employer the information required by subsection 3.*

2. *A coroner, medical examiner or deputy thereof who, as the result of an investigation into the cause of a death determines that a person died as the result of using a prescribed controlled substance, shall:*

(a) *If the coroner, medical examiner or deputy thereof has access to the database of the computerized program developed pursuant to NRS 453.162, upload the information required by subsection 3 as soon as practicable; or*

(b) *If the coroner, medical examiner or deputy thereof does not have access to the database of the computerized program developed pursuant to NRS 453.162, report the information to a coroner, medical examiner or deputy thereof who has such access.*

3. *A law enforcement officer or a coroner, medical examiner or deputy thereof who is required to report or upload, as applicable, information pursuant to subsection 1 or 2 shall report or upload, as applicable, the following information, to the extent such information is available and applicable:*

(a) The name of the person who:

(1) Is believed to have violated this chapter;

(2) ~~Is believed to have experienced an overdose as a result of using a prescribed controlled substance;~~

~~(3) Is believed to have died;~~ Died as a result of using a prescribed controlled substance; or

~~[(4)]~~ (3) Filed the report of a stolen prescription for a controlled substance.

(b) The name of the person to whom the controlled substance involved in an event described in subsection 1 or 2 is or was prescribed.

(c) If a prescription container for the controlled substance is found in the vicinity of the location of an event described in paragraph (a) ~~for (b)]~~ of subsection 1 or subsection 2 or if a prescription for a controlled substance is reported stolen:

(1) The name of the prescribing practitioner;

(2) The prescription number; and

(3) The name of the controlled substance as it appears on the prescription container or prescription order.

4. Except as otherwise provided in subsection 5, an employer of a law enforcement officer or a coroner, medical examiner or deputy thereof who receives a report pursuant to subsection 1 or 2 shall, as soon as practicable after receiving that report, upload to the database of the program established pursuant to NRS 453.162 notice of the occurrence of an event described in subsection 1 or 2, as applicable, and the information received pursuant to subsection 3. The employer of a law enforcement officer or a coroner, medical examiner or deputy thereof shall ensure that only a person who is authorized to access the database of the program pursuant to NRS 453.165 or section 1.6 of this act uploads such information.

5. If an employer of a law enforcement officer determines that uploading any information to the database of the program pursuant to subsection 4 will interfere with an active criminal investigation, the employer may postpone uploading such information until after the conclusion of the investigation.

6. Each law enforcement officer or employer of a law enforcement officer and each coroner, medical examiner and deputy thereof who makes a good faith effort to comply with this section, or a regulation adopted pursuant thereto, is immune from civil and criminal liability for any act or omission relating to the transmission of information pursuant to this section.

7. As used in this section, "law enforcement officer" ~~[has the meaning ascribed to it in NRS 453.165.]~~ means any person upon whom some or all of the powers of a peace officer are conferred pursuant to NRS 289.150 to 289.360, inclusive.

Sec. 1.6. 1. Except as otherwise provided in this section, the Board shall allow:

(a) A coroner or medical examiner to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if the

coroner or medical examiner has completed the course of training developed pursuant to subsection 4 of NRS 453.164.

(b) A deputy of a coroner or medical examiner to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if:

(1) The deputy has completed the course of training developed pursuant to subsection 4 of NRS 453.164; and

(2) The coroner or medical examiner who employs the deputy has submitted the certification required pursuant to subsection 2 to the Board.

2. Before the deputy of a coroner or medical examiner may be given access to the database pursuant to subsection 1, the coroner or medical examiner who employs the deputy must certify to the Board that the deputy has been approved to have such access and meets the requirements of subsection 1. Such certification must be made on a form provided by the Board and renewed annually.

3. When a coroner, medical examiner or deputy thereof accesses the database of the computerized program pursuant to this section, the ~~officer~~ coroner, medical examiner or deputy thereof must enter a unique user name assigned to the coroner, medical examiner or deputy thereof and, if applicable, the case number corresponding to the investigation being conducted by the coroner, medical examiner or deputy thereof.

4. A coroner, medical examiner or deputy thereof who has access to the database of the computerized program pursuant to subsection 1 may access the database only to:

(a) Investigate the death of a person; or

(b) Upload information to the database pursuant to section 1.3 of this act.

5. The Board or the Division may suspend or terminate access to the database of the computerized program pursuant to this section if a coroner, medical examiner or deputy thereof violates any provision of this section.

Sec. 2. NRS 453.162 is hereby amended to read as follows:

453.162 1. The Board and the Division shall cooperatively develop a computerized program to track each prescription for a controlled substance listed in schedule II, III ~~for~~, IV or V that is filled by a pharmacy that is registered with the Board or that is dispensed by a practitioner who is registered with the Board. The program must:

(a) Be designed to provide information regarding:

(1) The inappropriate use by a patient of controlled substances listed in schedules II, III ~~and~~, IV and V to pharmacies, practitioners and appropriate state and local governmental agencies, including, without limitation, law enforcement agencies and occupational licensing boards, to prevent the improper or illegal use of those controlled substances; and

(2) Statistical data relating to the use of those controlled substances that is not specific to a particular patient.

(b) Be administered by the Board, the Investigation Division, the Division of Public and Behavioral Health of the Department and various practitioners,

representatives of professional associations for practitioners, representatives of occupational licensing boards and prosecuting attorneys selected by the Board and the Investigation Division.

(c) Not infringe on the legal use of a controlled substance for the management of severe or intractable pain.

(d) Include the contact information of each person who is required to access the database of the program pursuant to NRS 453.164, including, without limitation:

- (1) The name of the person;
- (2) The physical address of the person;
- (3) The telephone number of the person; and

(4) If the person maintains an electronic mail address, the electronic mail address of the person.

(e) To the extent that money is available, include:

(1) A means by which a practitioner may designate in the database of the program that he or she suspects that a patient is seeking a prescription for a controlled substance for an improper or illegal purpose. If the Board reviews the designation and determines that such a designation is warranted, the Board shall inform pharmacies, practitioners and appropriate state agencies that the patient is seeking a prescription for a controlled substance for an improper or illegal purpose as described in subparagraph (1) of paragraph (a).

(2) The ability to integrate the records of patients in the database of the program with the electronic health records of practitioners.

2. The Board, the Division and each employee thereof are immune from civil and criminal liability for any action relating to the collection, maintenance and transmission of information pursuant to this section and NRS 453.163 and 453.164 *and sections 1.3 and 1.6 of this act* if a good faith effort is made to comply with applicable laws and regulations.

3. The Board and the Division may apply for any available grants and accept any gifts, grants or donations to assist in developing and maintaining the program required by this section.

Sec. 2.5. NRS 453.163 is hereby amended to read as follows:

453.163 1. Except as otherwise provided in this subsection, each person registered pursuant to this chapter to dispense a controlled substance listed in schedule II, III ~~or~~, IV *or* V shall, not later than the end of the next business day after dispensing a controlled substance, upload to the database of the program established pursuant to NRS 453.162 the information described in paragraph (d) of subsection 1 of NRS 453.162. The requirements of this subsection do not apply if the controlled substance is administered directly by a practitioner to a patient in a health care facility, as defined in NRS 439.960, a child who is a resident in a child care facility, as defined in NRS 432A.024, or a prisoner, as defined in NRS 208.085. The Board shall establish by regulation and impose administrative penalties for the failure to upload information pursuant to this subsection.

2. The Board and the Division may cooperatively enter into a written agreement with an agency of any other state to provide, receive or exchange information obtained by the program with a program established in that state which is substantially similar to the program established pursuant to NRS 453.162, including, without limitation, providing such state access to the database of the program or transmitting information to and receiving information from such state. Any information provided, received or exchanged as part of an agreement made pursuant to this section may only be used in accordance with the provisions of this chapter.

3. A practitioner who is authorized to write prescriptions for and each person who is authorized to dispense controlled substances listed in schedule II, III ~~for~~, IV *or* V who makes a good faith effort to comply with applicable laws and regulations when transmitting to the Board or the Division a report or information required by this section or NRS 453.162 or 453.164, or a regulation adopted pursuant thereto, is immune from civil and criminal liability relating to such action.

Sec. 3. NRS 453.164 is hereby amended to read as follows:

453.164 1. The Board shall provide Internet access to the database of the program established pursuant to NRS 453.162 to an occupational licensing board that licenses any practitioner who is authorized to write prescriptions for controlled substances listed in schedule II, III ~~for~~, IV ~~for~~ *or* V.

2. The Board and the Division must have access to the program established pursuant to NRS 453.162 to identify any suspected fraudulent or illegal activity related to the dispensing of controlled substances.

3. The Board or the Division shall report any activity it reasonably suspects may:

(a) Be fraudulent or illegal to the appropriate law enforcement agency or occupational licensing board and provide the law enforcement agency or occupational licensing board with the relevant information obtained from the program for further investigation.

(b) Indicate the inappropriate use by a patient of a controlled substance to the occupational licensing board of each practitioner who has prescribed the controlled substance to the patient. The occupational licensing board may access the database of the program established pursuant to NRS 453.162 to determine which practitioners are prescribing the controlled substance to the patient. The occupational licensing board may use this information for any purpose it deems necessary, including, without limitation, alerting a practitioner that a patient may be fraudulently obtaining a controlled substance or determining whether a practitioner is engaged in unlawful or unprofessional conduct. This paragraph shall not be construed to require an occupational licensing board to conduct an investigation or take any action against a practitioner upon receiving information from the Board or the Division.

4. The Board and the Division shall cooperatively develop a course of training for persons who are required *or authorized* to receive access to the database of the program pursuant to subsection 6 *or* NRS 453.165 and



*section 1.6 of this act* and require each such person to complete the course of training before the person is provided with Internet access to the database.

5. Each practitioner who is authorized to write prescriptions for and each person who is authorized to dispense controlled substances listed in schedule II, III ~~{or}~~, IV or V shall complete the course of instruction described in subsection 4. The Board shall provide Internet access to the database to each such practitioner or other person who completes the course of instruction.

6. Each practitioner who is authorized to write prescriptions for controlled substances listed in schedule II, III ~~{or}~~, IV or V shall, to the extent the program allows, access the database of the program established pursuant to NRS 453.162 at least once each 6 months to:

(a) Review the information concerning the practitioner that is listed in the database and notify the Board if any such information is not correct; and

(b) Verify to the Board that he or she continues to have access to and has accessed the database as required by this subsection.

7. Information obtained from the program relating to a practitioner or a patient is confidential and, except as otherwise provided by this section and NRS 239.0115, 453.162 and 453.163, must not be disclosed to any person. That information must be disclosed:

(a) Upon ~~{the}~~ a request ~~{of}~~ *made on a notarized form prescribed by the Board* by a person about whom the information requested concerns or upon ~~{the}~~ such a request on behalf of that person by his or her attorney; or

(b) Upon the lawful order of a court of competent jurisdiction.

8. If the Board, the Division or a law enforcement agency determines that the database of the program has been intentionally accessed by a person or for a purpose not authorized pursuant to NRS 453.162 to 453.165, inclusive, *and sections 1.3 and 1.6 of this act*, the Board, Division or law enforcement agency, as applicable, must notify any person whose information was accessed by an unauthorized person or for an unauthorized purpose.

Sec. 4. NRS 453.165 is hereby amended to read as follows:

453.165 1. Except as otherwise provided in this section, the Board shall allow an employee of a law enforcement ~~{officer}~~ agency to have Internet access to the database of the computerized program developed pursuant to NRS 453.162 if:

(a) ~~{The primary responsibility of the law enforcement officer is to conduct investigations of crimes relating to prescription drugs;~~

~~—(b)—~~ The ~~{law enforcement officer}~~ employee has been approved by his or her employer to have such access;

~~{(c)}~~ (b) The ~~{law enforcement officer}~~ employee has completed the course of training developed pursuant to subsection 4 of NRS 453.164; and

~~{(d)}~~ (c) The ~~{employer of the}~~ law enforcement ~~{officer}~~ agency has submitted the certification required pursuant to subsection 2 to the Board.

2. Before ~~{a}~~ an employee of a law enforcement ~~{officer}~~ agency may be given access to the database pursuant to subsection 1, the ~~{employer of the officer}~~ law enforcement agency must certify to the Board that the ~~{law~~

~~enforcement officer~~ employee has been approved to be given such access and meets the requirements of subsection 1. Such certification must be made on a form provided by the Board and renewed annually.

3. When an employee of a law enforcement ~~officer~~ agency accesses the database of the computerized program pursuant to this section, the ~~officer~~ employee must enter a unique user name assigned to the ~~officer~~ employee and, if applicable, the case number corresponding to the investigation ~~being conducted by the officer~~ pursuant to which the employee is accessing the database.

4. ~~[A]~~ An employee of a law enforcement ~~officer~~ agency who is given access to the database of the computerized program pursuant to subsection 1 may access the database ~~for no other purpose than to investigate~~ :

(a) Investigate a crime related to prescription drugs ~~and for no other purpose~~; or

(b) Upload information to the database pursuant to section 1.3 of this act.

5. ~~[The employer of a]~~ A law enforcement ~~officer who is~~ agency whose employees are provided access to the database of the computerized program pursuant to this section shall monitor the use of the database by the employees of the law enforcement ~~officer~~ agency and establish appropriate disciplinary action to take against an ~~officer~~ employee who violates the provisions of this section.

6. The Board or the Division may suspend or terminate access to the database of the computerized program pursuant to this section if a law enforcement ~~officer~~ agency or ~~this or her employer~~ employee thereof violates any provision of this section.

~~[ 7. As used in this section, "law enforcement officer" means any person upon whom some or all of the powers of a peace officer are conferred pursuant to NRS 289.150 to 289.360, inclusive.]~~

Sec. 5. NRS 453.552 is hereby amended to read as follows:

453.552 1. Any penalty imposed for violation of NRS 453.011 to 453.551, inclusive, *and sections 1.3 and 1.6 of this act*, is in addition to, and not in lieu of, any civil or administrative penalty or sanction otherwise authorized by law.

2. Any violation of the provisions of NRS 453.011 to 453.551, inclusive, *and sections 1.3 and 1.6 of this act*, where no other penalty is specifically provided, is a misdemeanor.

Sec. 5.5. NRS 639.23507 is hereby amended to read as follows:

639.23507 1. A practitioner shall, before initiating a prescription for a controlled substance listed in schedule II, III or IV ~~or an opioid that is a controlled substance listed in schedule V~~, obtain a patient utilization report regarding the patient from the computerized program established by the Board and the Investigation Division of the Department of Public Safety pursuant to NRS 453.162 if:

(a) The patient is a new patient of the practitioner; or

(b) The prescription is for more than 7 days and is part of a new course of treatment for the patient.

↪ The practitioner shall review the patient utilization report to assess whether the prescription for the controlled substance is medically necessary.

2. If a practitioner who attempts to obtain a patient utilization report as required by subsection 1 fails to do so because the computerized program is unresponsive or otherwise unavailable, the practitioner:

(a) Shall be deemed to have complied with subsection 1 if the practitioner documents the attempt and failure in the medical record of the patient.

(b) Is not liable for the failure.

3. The Board shall adopt regulations to provide alternative methods of compliance with subsection 1 for a physician while he or she is providing service in a hospital emergency department. The regulations must include, without limitation, provisions that allow a hospital to designate members of hospital staff to act as delegates for the purposes of accessing the database of the computerized program and obtaining patient utilization reports from the computerized program on behalf of such a physician.

4. A practitioner who violates subsection 1:

(a) Is not guilty of a misdemeanor.

(b) May be subject to professional discipline if the appropriate professional licensing board determines that the practitioner's violation was intentional.

5. As used in this section, "initiating a prescription" means originating a new prescription for a new patient of a practitioner or originating a new prescription to begin a new course of treatment for an existing patient of a practitioner. The term does not include any act concerning an ongoing prescription that is written to continue a course of treatment for an existing patient of a practitioner.

Sec. 6. This act becomes effective on July 1, 2017.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 743 to Senate Bill No. 59.

Remarks by Senator Spearman.

Amendment No. 743 to Senate Bill No. 59 revises certain provisions that allow certain law enforcement officers to have internet access to the prescription-drug monitoring-program database and to upload certain information under certain circumstances. It specifies the law enforcement officers who have probable cause to believe that certain violations concerning prescribed controlled substances have occurred.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 101.

The following Assembly amendment was read:

Amendment No. 666.

SUMMARY—Restricts the authority to ~~administer~~ inject neuromodulators derived from *Clostridium botulinum* and dermal and soft tissue fillers to certain medical professionals. (BDR 40-677)

AN ACT relating to professions; prohibiting the injection of neuromodulators derived from *Clostridium botulinum*, neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators and dermal and soft tissue fillers by certain persons and under certain conditions; authorizing the imposition of professional discipline against persons who violate such a prohibition; requiring certain persons to receive training before injecting neuromodulators derived from *Clostridium botulinum*, neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators or dermal or soft tissue fillers; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a medical assistant who is directed and supervised by a physician or physician assistant or a licensed dental hygienist who is directed and supervised by a dentist to possess and administer dangerous drugs under certain circumstances. (NRS 454.213) Existing law further requires the Board of Medical Examiners to adopt regulations governing the administration of botulinum toxin, commonly known as Botox, by a medical assistant or any person under the jurisdiction of the Board. (NRS ~~630.047~~, 630.138)

This bill: (1) replaces the term "botulinum toxin" with references to neuromodulators derived from *Clostridium botulinum* or neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators; and (2) revises provisions governing the injection of such neuromodulators and dermal or soft tissue fillers. Section 2 of this bill removes the requirement for the Board of Medical Examiners to adopt regulations governing the administration of botulinum toxin by a medical assistant. Instead, sections 1 and 1.8 of this bill prohibit: (1) any person other than a physician, physician assistant, dentist, registered nurse, advanced practice registered nurse or podiatric physician ~~[who has received training prescribed by his or her licensing board from injecting]~~ from injecting a neuromodulator derived from *Clostridium botulinum*, a neuromodulator that is biosimilar to or the bioequivalent of such a neuromodulator or dermal or soft tissue fillers; (2) such persons from delegating such injection to an unauthorized person; and (3) any person from injecting a neuromodulator derived from *Clostridium botulinum*, a neuromodulator that is biosimilar to or the bioequivalent of such a neuromodulator or dermal or soft tissue fillers outside his or her scope of practice or in a location other than a medical facility or the office of an authorized medical professional. Sections 1.3, 4 and 6.6 of this bill make conforming changes to clarify that unauthorized medical professionals are prohibited from injecting such neuromodulators and dermal or soft tissue fillers. Sections ~~1.9, 3.3, 6.4, 6.9~~ and 7.2 of this bill require the ~~Board of Medical Examiners,~~ Board of Dental Examiners of Nevada ~~[, State Board of Nursing, State Board of Osteopathic Medicine]~~ and the State Board of Podiatry, respectively, to prescribe training for ~~[physicians and physician assistants,]~~ dentists ~~[, registered nurses, advanced practice registered nurses, osteopathic physicians and physician assistants]~~ and podiatric physicians, as

applicable, ~~[who wish]~~ which must be completed before a dentist or podiatric physician is authorized to inject such neuromodulators or dermal or soft tissue fillers.

Existing law generally provides that a violation of the provisions of law governing dangerous drugs is a misdemeanor and grounds for the suspension or revocation of certain professional licenses. (NRS 454.356, 454.361) Existing law further provides that a person who violates a provision of law governing dangerous drugs by using a minor as an agent or who illegally provides a dangerous drug to a minor is guilty of a category B felony. (NRS 454.306) Sections 1.4-1.6 of this bill make these provisions applicable to the unauthorized injection of or delegation of the injection of a neuromodulator derived from *Clostridium botulinum* or a neuromodulator that is biosimilar to or the bioequivalent of such a neuromodulator. Section 1.8 of this bill similarly makes the unauthorized injection of or delegation of the injection of dermal or soft tissue fillers a misdemeanor. Sections 3, 6, 6.8, 7, 7.5 and 7.8 of this bill authorize the Board of Medical Examiners, Board of Dental Examiners of Nevada, State Board of Nursing, State Board of Osteopathic Medicine, State Board of Podiatry and State Board of Cosmetology to impose disciplinary action against licensees who violate prohibitions on the unauthorized injection of or delegation of the injection of a neuromodulator derived from *Clostridium botulinum* or a neuromodulator that is biosimilar to or the bioequivalent of such a neuromodulator or dermal or soft tissue fillers.

Section 1.2 of this bill updates the definition of the term "dangerous drug" to reflect the current terminology used in federal regulations.

WHEREAS, Neuromodulators derived from *Clostridium botulinum* or that are biosimilar to or the bioequivalent of such neuromodulators are considered dangerous drugs in this State; and

WHEREAS, Only certain medical professionals are authorized under the law of this State to administer dangerous drugs; and

WHEREAS, The improper injection of neuromodulators derived from *Clostridium botulinum*, neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators and dermal and soft tissue fillers can cause significant harmful side effects; and

WHEREAS, Persons who lack the necessary training or proper credentials are currently not restricted from injecting neuromodulators derived from *Clostridium botulinum*, neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators and dermal and soft tissue fillers in this State; and

WHEREAS, To promote the health, safety and welfare of the residents of this State, it is the intent of the Legislature to clearly define the persons who are authorized to inject neuromodulators derived from *Clostridium botulinum*, neuromodulators that are biosimilar to or the bioequivalent of such neuromodulators and dermal and soft tissue fillers, and the conditions under which such injections may occur; now, therefore,

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

Section 1. Chapter 454 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not inject a neuromodulator that is derived from *Clostridium botulinum* or is biosimilar to or the bioequivalent of such a neuromodulator:

(a) Unless the person is:

(1) A physician or physician assistant licensed pursuant to chapter 630 of NRS ; ~~[who has successfully completed the training prescribed by the Board of Medical Examiners pursuant to section 1.9 of this act;]~~

(2) A dentist who has successfully completed the training prescribed by the Board of Dental Examiners of Nevada pursuant to section 3.3 of this act;

(3) A registered nurse or advanced practice registered nurse ; ~~[who has successfully completed the training prescribed by the State Board of Nursing pursuant to section 6.4 of this act;]~~

(4) A physician or physician assistant licensed pursuant to chapter 633 of NRS ; ~~[who has successfully completed the training prescribed by the State Board of Osteopathic Medicine pursuant to 6.9 of this act;]~~ or

(5) A podiatric physician who has successfully completed the training prescribed by the State Board of Podiatry pursuant to section 7.2 of this act.

(b) Outside his or her scope of practice.

(c) At a location other than a medical facility, as defined in NRS 449.0151, or the office of a physician or physician assistant licensed pursuant to chapter 630 or 633 of NRS, dentist, advanced practice registered nurse or podiatric physician.

2. A person who is authorized by subsection 1 to inject a neuromodulator described in that subsection shall not delegate such injection to a person who is prohibited by subsection 1 from injecting such a neuromodulator.

Sec. 1.1. NRS 454.181 is hereby amended to read as follows:

454.181 Definitions of words and terms in NRS 454.00922, 454.191, 454.201 and 454.211 apply only to NRS 454.181 to 454.371, inclusive ~~[;]~~ , and section 1 of this act.

Sec. 1.15. NRS 454.191 is hereby amended to read as follows:

454.191 "Administer" means the direct application of a drug or medicine referred to in NRS 454.181 to 454.371, inclusive, and section 1 of this act, whether by injection, inhalation, ingestion or any other means, to the body of a patient or research subject.

Sec. 1.2. NRS 454.201 is hereby amended to read as follows:

454.201 "Dangerous drug" means any drug, other than a controlled substance, unsafe for self-medication or unsupervised use, and includes the following:

1. Any drug which has been approved by the Food and Drug Administration for general distribution and bears the legend ~~[-: "Caution: Federal law prohibits dispensing without prescription";]~~ "Rx only";

2. Procaine hydrochloride with preservatives and stabilizers (Gerovital H3) in injectable doses and amygdalin (laetrile) which have been licensed by the State Board of Health for manufacture in this State but have not been approved as drugs by the Food and Drug Administration; or

3. Any drug which, pursuant to the Board's regulations, may be sold only by prescription because the Board has found those drugs to be dangerous to public health or safety.

Sec. 1.3. NRS 454.213 is hereby amended to read as follows:

454.213 1. ~~[A]~~ *Except as otherwise provided in section 1 of this act, a drug or medicine referred to in NRS 454.181 to 454.371, inclusive, and section 1 of this act may be possessed and administered by:*

(a) A practitioner.

(b) 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.

(c) Except as otherwise provided in paragraph (d), 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.

(d) In accordance with applicable regulations of the Board, a registered nurse licensed to practice professional nursing or licensed practical nurse who is:

(1) 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

(2) Acting under the direction of the medical director of that agency or facility who works in this State.

(e) 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 paragraph, "designated facility" has the meaning ascribed to it in NRS 632.0145.

(f) Except as otherwise provided in paragraph (g), 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:

(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.

(g) 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.

(h) A respiratory therapist employed in a health care facility. The therapist may possess and administer respiratory products only at the direction of a physician.

(i) 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.

(j) A medical student or student nurse in the course of his or her studies at an accredited college of medicine or approved school of professional or practical nursing, at the direction of a physician and:

(1) In the presence of a physician or a registered nurse; or

(2) 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.

(k) Any person designated by the head of a correctional institution.

(l) An ultimate user or any person designated by the ultimate user pursuant to a written agreement.

(m) A nuclear medicine technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

(n) A radiologic technologist, at the direction of a physician and in accordance with any conditions established by regulation of the Board.

(o) A chiropractic physician, but only if the drug or medicine is a topical drug used for cooling and stretching external tissue during therapeutic treatments.

(p) A physical therapist, but only if the drug or medicine is a topical drug which is:

(1) Used for cooling and stretching external tissue during therapeutic treatments; and

(2) Prescribed by a licensed physician for:

(I) Iontophoresis; or

(II) The transmission of drugs through the skin using ultrasound.

(q) 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.

(r) A veterinary technician or a veterinary assistant at the direction of his or her supervising veterinarian.

(s) In accordance with applicable regulations of the Board, a registered pharmacist who:

(1) Is trained in and certified to carry out standards and practices for immunization programs;



(2) Is authorized to administer immunizations pursuant to written protocols from a physician; and

(3) 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.

(t) A registered pharmacist pursuant to written guidelines and protocols developed and approved pursuant to NRS 639.2809.

(u) 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.

(v) A medical assistant, in accordance with applicable regulations of the:

(1) Board of Medical Examiners, at the direction of the prescribing physician and under the supervision of a physician or physician assistant.

(2) State Board of Osteopathic Medicine, at the direction of the prescribing physician and under the supervision of a physician or physician assistant.

2. As used in this section, "accredited college of medicine" has the meaning ascribed to it in NRS 453.375.

Sec. 1.4. NRS 454.306 is hereby amended to read as follows:

454.306 A person who violates any provision of NRS 454.181 to 454.371, inclusive, *and section 1 of this act* by use of a minor as an agent or by unlawfully furnishing any dangerous drug to a minor is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 5 years and a maximum term of not more than 20 years, or by a fine of not more than \$20,000, or by both fine and imprisonment.

Sec. 1.5. NRS 454.356 is hereby amended to read as follows:

454.356 Except as otherwise specifically provided, every person who violates any provision of NRS 454.181 to 454.371, inclusive, *and section 1 of this act* is guilty of a misdemeanor.

Sec. 1.6. NRS 454.361 is hereby amended to read as follows:

454.361 A conviction of the violation of any of the provisions of NRS 454.181 to 454.371, inclusive, *and section 1 of this act* constitutes grounds for the suspension or revocation of any license issued to such person

pursuant to the provisions of chapters 630, 631, 633, 635, 636, 638 or 639 of NRS.

Sec. 1.7. NRS 454.366 is hereby amended to read as follows:

454.366 The Board shall administer and enforce NRS 454.181 to 454.371, inclusive ~~[-]~~, and section 1 of this act.

Sec. 1.8. Chapter 629 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A person shall not inject dermal or soft tissue fillers:

(a) Unless the person is:

(1) A physician or physician assistant licensed pursuant to chapter 630 of NRS ~~[-]~~ ~~who has successfully completed the training prescribed by the Board of Medical Examiners pursuant to section 1.9 of this act;~~

(2) A dentist who has successfully completed the training prescribed by the Board of Dental Examiners of Nevada pursuant to section 3.3 of this act;

(3) A registered nurse or advanced practice registered nurse ~~[-]~~ ~~who has successfully completed the training prescribed by the State Board of Nursing pursuant to section 6.4 of this act;~~

(4) A physician or physician assistant licensed pursuant to chapter 633 of NRS ~~[-]~~ ~~who has successfully completed the training prescribed by the State Board of Osteopathic Medicine pursuant to 6.9 of this act;~~ or

(5) A podiatric physician who has successfully completed the training prescribed by the State Board of Podiatry pursuant to section 7.2 of this act.

(b) Outside his or her scope of practice.

(c) At a location other than a medical facility or the office of a physician or physician assistant licensed pursuant to chapter 630 or 633 of NRS, dentist, advanced practice registered nurse or podiatric physician.

2. A person who is authorized by subsection 1 to inject dermal or soft tissue fillers shall not delegate such injection to a person who is prohibited by subsection 1 from injecting dermal or soft tissue fillers.

3. A person who violates any provision of this section is guilty of a misdemeanor.

4. As used in this section, "dermal or soft tissue filler" means a material that is injected into the skin to fill in wrinkles or into the soft tissue to alter the contour of the soft tissue.

Sec. 1.9. ~~[-]~~ ~~Chapter 630 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Board shall adopt regulations prescribing the training that a physician or physician assistant must receive before injecting:~~

~~(a) A neuromodulator that is derived from *Clostridium botulinum*;~~

~~(b) A neuromodulator that is biosimilar to or the bioequivalent of a neuromodulator described in paragraph (a); or~~

~~(c) Dermal or soft tissue fillers.~~

~~2. A physician or physician assistant who has received the training prescribed pursuant to subsection 1 shall present proof of such training upon~~

~~the request of a patient or any state or local governmental agency or agent thereof.~~

~~3. As used in this section "dermal or soft tissue filler" has the meaning ascribed to it in section 1.8 of this act.~~ (Deleted by amendment.)

Sec. 2. NRS 630.138 is hereby amended to read as follows:

630.138 The Board ~~is~~:

~~1. May~~ ~~may~~ adopt regulations governing the supervision of a medical assistant, including, without limitation, regulations which prescribe limitations on the possession and administration of a dangerous drug by a medical assistant.

~~{2. Shall adopt regulations governing the possession and administration of botulinum toxin, commonly known as Botox, by a medical assistant or any other person, including, without limitation:~~

~~(a) The qualifications and training required for administration; and~~

~~(b) The manner and place of administration.}~~

Sec. 3. NRS 630.306 is hereby amended to read as follows:

630.306 1. The following acts, among others, constitute grounds for initiating disciplinary action or denying licensure:

(a) 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.

(b) Engaging in any conduct:

(1) Which is intended to deceive;

(2) Which the Board has determined is a violation of the standards of practice established by regulation of the Board; or

(3) Which is in violation of a regulation adopted by the State Board of Pharmacy.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

(h) Habitual intoxication from alcohol or dependency on controlled substances.

(i) 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.

(j) Failing to comply with the requirements of NRS 630.254.

(k) 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.

(l) 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.

(m) Failure to be found competent to practice medicine as a result of an examination to determine medical competency pursuant to NRS 630.318.

(n) Operation of a medical facility at any time during which:

(1) The license of the facility is suspended or revoked; or

(2) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.

➔ This paragraph applies to an owner or other principal responsible for the operation of the facility.

(o) Failure to comply with the requirements of NRS 630.373.

(p) Engaging in any act that is unsafe or unprofessional conduct in accordance with regulations adopted by the Board.

(q) Knowingly or willfully 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:

(1) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;

(2) 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;

(3) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS; or

(4) Is an investigational drug or biological product prescribed to a patient pursuant to NRS 630.3735 or 633.6945.

(r) Failure to supervise adequately a medical assistant pursuant to the regulations of the Board.

(s) Failure to comply with the provisions of NRS 630.3745.

(t) Failure to obtain any training required by the Board pursuant to NRS 630.2535.

(u) *Failure to comply with the provisions of section 1 or 1.8 of this act.*

2. As used in this section, "investigational drug or biological product" has the meaning ascribed to it in NRS 454.351.

Sec. 3.3. Chapter 631 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board shall adopt regulations prescribing the training that a dentist must receive before injecting:*

(a) *A neuromodulator that is derived from Clostridium botulinum;*

(b) *A neuromodulator that is biosimilar to or the bioequivalent of a neuromodulator described in paragraph (a); or*

(c) *Dermal or soft tissue fillers.*

2. *A dentist who has received the training prescribed pursuant to subsection 1 shall present proof of such training upon the request of a patient or any state or local governmental agency or agent thereof.*

3. *As used in this section "dermal or soft tissue filler" has the meaning ascribed to it in section 1.8 of this act.*

Sec. 4. NRS 631.313 is hereby amended to read as follows:

631.313 1. ~~{A}~~ *Except as otherwise provided in sections 1 and 1.8 of this act, a licensed dentist may assign to a person in his or her employ who is a dental hygienist, dental assistant or other person directly or indirectly involved in the provision of dental care only such intraoral tasks as may be permitted by a regulation of the Board or by the provisions of this chapter.*

2. *The performance of these tasks must be:*

(a) *If performed by a dental assistant or a person, other than a dental hygienist, who is directly or indirectly involved in the provision of dental care, under the supervision of the licensed dentist who made the assignment.*

(b) *If performed by a dental hygienist, authorized by the licensed dentist of the patient for whom the tasks will be performed, except as otherwise provided in NRS 631.287.*

3. *No such assignment is permitted that requires:*

(a) *The diagnosis, treatment planning, prescribing of drugs or medicaments, or authorizing the use of restorative, prosthodontic or orthodontic appliances.*

(b) *Surgery on hard or soft tissues within the oral cavity or any other intraoral procedure that may contribute to or result in an irremediable alteration of the oral anatomy.*

(c) *The administration of general anesthesia, minimal sedation, moderate sedation or deep sedation except as otherwise authorized by regulations adopted by the Board.*

(d) *The performance of a task outside the authorized scope of practice of the employee who is being assigned the task.*

4. *A dental hygienist may, pursuant to regulations adopted by the Board, administer local anesthesia or nitrous oxide in a health care facility, as defined in NRS 162A.740, if:*

(a) *The dental hygienist is so authorized by the licensed dentist of the patient to whom the local anesthesia or nitrous oxide is administered; and*

(b) *The health care facility has licensed medical personnel and necessary emergency supplies and equipment available when the local anesthesia or nitrous oxide is administered.*

Sec. 5. (Deleted by amendment.)

Sec. 6. NRS 631.3475 is hereby amended to read as follows:

631.3475 The following acts, among others, constitute unprofessional conduct:

1. Malpractice;
  2. Professional incompetence;
  3. Suspension or revocation of a license to practice dentistry, the imposition of a fine or other disciplinary action by any agency of another state authorized to regulate the practice of dentistry in that state;
  4. More than one act by the dentist or dental hygienist constituting substandard care in the practice of dentistry or dental hygiene;
  5. Administering, dispensing or prescribing any controlled substance or any dangerous drug as defined in chapter 454 of NRS, if it is not required to treat the dentist's patient;
  6. 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;
  7. *Failure to comply with the provisions of section 1 or 1.8 of this act;*
  8. Chronic or persistent inebriety or addiction to a controlled substance, to such an extent as to render the person unsafe or unreliable as a practitioner, or such gross immorality as tends to bring reproach upon the dental profession;
  - ~~{8.}~~ 9. Conviction of a felony or misdemeanor involving moral turpitude or which relates to the practice of dentistry in this State, or conviction of any criminal violation of this chapter;
  - ~~{9.}~~ 10. Conviction of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive;
  - ~~{10.}~~ 11. Failure to comply with the provisions of NRS 453.163 or 453.164;
  - ~~{11.}~~ 12. Failure to obtain any training required by the Board pursuant to NRS 631.344; or
  - ~~{12.}~~ 13. 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.

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. *"Dermal or soft tissue filler" has the meaning ascribed to it in section 1.8 of this act.*

Sec. 6.4. ~~1. The Board shall adopt regulations prescribing the training that a registered nurse or advanced practice registered nurse must receive before injecting:~~

~~(a) A neuromodulator that is derived from *Clostridium botulinum*;~~

~~(b) A neuromodulator that is biosimilar to or the bioequivalent of a neuromodulator described in paragraph (a); or~~

~~(c) Dermal or soft tissue fillers.~~

~~2. A registered nurse or advanced practice registered nurse who has received the training prescribed pursuant to subsection 1 shall present proof of such training upon the request of a patient or any state or local governmental agency or agent thereof.~~ (Deleted by amendment.)

Sec. 6.5. NRS 632.010 is hereby amended to read as follows:

632.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 632.011 to 632.0195, inclusive, *and section 6.3 of this act* have the meanings ascribed to them in those sections.

Sec. 6.6. NRS 632.294 is hereby amended to read as follows:

632.294 1. A medication aide - certified may only administer authorized medications and perform related tasks at a designated facility under the supervision of an advanced practice registered nurse or a registered nurse and in accordance with standard protocols developed by the Board.

2. Except as otherwise provided by subsection 4, a medication aide - certified may only administer authorized medications by the following methods:

- (a) Orally;
- (b) Topically;
- (c) By the use of drops in the eye, ear or nose;
- (d) Vaginally;
- (e) Rectally;
- (f) Transdermally; and
- (g) By the use of an oral inhaler.

3. Except as otherwise provided by subsection 4, a medication aide - certified shall not:

- (a) Receive, have access to or administer any controlled substance;
- (b) Administer parenteral or enteral medications;
- (c) Administer any substances by nasogastric or gastrostomy tubes;
- (d) Calculate drug dosages;
- (e) Destroy medication;
- (f) Receive orders, either in writing or verbally, for new or changed medication;
- (g) Transcribe orders from medical records;
- (h) Order or administer initial medications;

- (i) Evaluate reports of medication errors;
- (j) Perform treatments;
- (k) Conduct patient assessments or evaluations;
- (l) Engage in teaching activities for patients; ~~{or}~~
- (m) *Inject a neuromodulator that is derived from Clostridium botulinum or a neuromodulator that is biosimilar to or the bioequivalent of such a neuromodulator;*
- (n) *Inject a dermal or soft tissue filler; or*
- (o) Engage in any activity prohibited pursuant to subsection 4.

4. ~~{The}~~ *Except as otherwise provided in this subsection, the Board may adopt regulations authorizing or prohibiting any additional activities of a medication aide - certified. The Board shall not adopt regulations authorizing a medication aide - certified to perform the tasks described in paragraph (m) or (n) of subsection 3.*

5. As used in this section, "supervision" means active oversight of the patient care services provided by a medication aide - certified while on the premises of a designated facility.

Sec. 6.8. NRS 632.347 is hereby amended to read as follows:

632.347 1. The Board may deny, revoke or suspend any license or certificate applied for or issued pursuant to this chapter, or take other disciplinary action against a licensee or holder of a certificate, upon determining that the licensee or certificate holder:

- (a) Is guilty of fraud or deceit in procuring or attempting to procure a license or certificate pursuant to this chapter.
- (b) Is guilty of any offense:
  - (1) Involving moral turpitude; or
  - (2) Related to the qualifications, functions or duties of a licensee or holder of a certificate,
- ➡ in which case the record of conviction is conclusive evidence thereof.
- (c) Has been convicted of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.
- (d) Is unfit or incompetent by reason of gross negligence or recklessness in carrying out usual nursing functions.
- (e) Uses any controlled substance, dangerous drug as defined in chapter 454 of NRS, or intoxicating liquor to an extent or in a manner which is dangerous or injurious to any other person or which impairs his or her ability to conduct the practice authorized by the license or certificate.
- (f) Is a person with mental incompetence.
- (g) Is guilty of unprofessional conduct, which includes, but is not limited to, the following:

(1) Conviction of practicing medicine without a license in violation of chapter 630 of NRS, in which case the record of conviction is conclusive evidence thereof.



(2) Impersonating any applicant or acting as proxy for an applicant in any examination required pursuant to this chapter for the issuance of a license or certificate.

(3) Impersonating another licensed practitioner or holder of a certificate.

(4) Permitting or allowing another person to use his or her license or certificate to practice as a licensed practical nurse, registered nurse, nursing assistant or medication aide - certified.

(5) Repeated malpractice, which may be evidenced by claims of malpractice settled against the licensee or certificate holder.

(6) Physical, verbal or psychological abuse of a patient.

(7) Conviction for the use or unlawful possession of a controlled substance or dangerous drug as defined in chapter 454 of NRS.

(h) Has willfully or repeatedly violated the provisions of this chapter. The voluntary surrender of a license or certificate issued pursuant to this chapter is prima facie evidence that the licensee or certificate holder has committed or expects to commit a violation of this chapter.

(i) Is guilty of aiding or abetting any person in a violation of this chapter.

(j) Has falsified an entry on a patient's medical chart concerning a controlled substance.

(k) Has falsified information which was given to a physician, pharmacist, podiatric physician or dentist to obtain a controlled substance.

(l) Has knowingly procured or administered 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:

(1) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;

(2) 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;

(3) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS; or

(4) Is an investigational drug or biological product prescribed to a patient pursuant to NRS 630.3735 or 633.6945.

(m) Has been disciplined in another state in connection with a license to practice nursing or a certificate to practice as a nursing assistant or medication aide - certified, or has committed an act in another state which would constitute a violation of this chapter.

(n) Has engaged in conduct likely to deceive, defraud or endanger a patient or the general public.

(o) Has willfully failed to comply with a regulation, subpoena or order of the Board.

(p) Has operated a medical facility at any time during which:

(1) The license of the facility was suspended or revoked; or

(2) An act or omission occurred which resulted in the suspension or revocation of the license pursuant to NRS 449.160.

↪ This paragraph applies to an owner or other principal responsible for the operation of the facility.

(q) *Has violated the provisions of section 1 or 1.8 of this act.*

(r) Is an advanced practice registered nurse who has failed to obtain any training required by the Board pursuant to NRS 632.2375.

~~{(r)}~~ (s) Is an advanced practice registered nurse who has failed to comply with the provisions of NRS 453.163 or 453.164.

2. For the purposes of this section, a plea or verdict of guilty or guilty but mentally ill or a plea of nolo contendere constitutes a conviction of an offense. The Board may take disciplinary action pending the appeal of a conviction.

3. A licensee or certificate holder is not subject to disciplinary action solely for administering auto-injectable epinephrine pursuant to a valid order issued pursuant to NRS 630.374 or 633.707.

4. As used in this section, "investigational drug or biological product" has the meaning ascribed to it in NRS 454.351.

Sec. 6.9. ~~{Chapter 633 of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~1. The Board shall adopt regulations prescribing the training that an osteopathic physician or physician assistant must receive before injecting:~~

~~(a) A neuromodulator that is derived from *Clostridium botulinum*;~~

~~(b) A neuromodulator that is biosimilar to or the bioequivalent of a neuromodulator described in paragraph (a); or~~

~~(c) Dermal or soft tissue fillers.~~

~~2. An osteopathic physician or physician assistant who has received the training prescribed pursuant to subsection 1 shall present proof of such training upon the request of a patient or any state or local governmental agency or agent thereof.~~

~~3. As used in this section "dermal or soft tissue filler" has the meaning ascribed to it in section 1.8 of this act.~~ (Deleted by amendment.)

Sec. 7. NRS 633.511 is hereby amended to read as follows:

633.511 1. The grounds for initiating disciplinary action pursuant to this chapter are:

(a) Unprofessional conduct.

(b) Conviction of:

(1) 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;

(2) A felony relating to the practice of osteopathic medicine or practice as a physician assistant;

(3) A violation of any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive;

(4) Murder, voluntary manslaughter or mayhem;

(5) Any felony involving the use of a firearm or other deadly weapon;

- (6) Assault with intent to kill or to commit sexual assault or mayhem;
- (7) Sexual assault, statutory sexual seduction, incest, lewdness, indecent exposure or any other sexually related crime;
- (8) Abuse or neglect of a child or contributory delinquency; or
- (9) Any offense involving moral turpitude.
- (c) The suspension of a license to practice osteopathic medicine or to practice as a physician assistant by any other jurisdiction.
- (d) Malpractice or gross malpractice, which may be evidenced by a claim of malpractice settled against a licensee.
- (e) Professional incompetence.
- (f) Failure to comply with the requirements of NRS 633.527.
- (g) Failure to comply with the requirements of subsection 3 of NRS 633.471.
- (h) Failure to comply with the provisions of NRS 633.694.
- (i) Operation of a medical facility, as defined in NRS 449.0151, at any time during which:
  - (1) The license of the facility is suspended or revoked; or
  - (2) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.
- ➡ This paragraph applies to an owner or other principal responsible for the operation of the facility.
- (j) Failure to comply with the provisions of subsection 2 of NRS 633.322.
- (k) Signing a blank prescription form.
- (l) Knowingly or willfully 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:
  - (1) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;
  - (2) 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;
  - (3) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS; or
  - (4) Is an investigational drug or biological product prescribed to a patient pursuant to NRS 630.3735 or 633.6945.
- (m) Attempting, directly or indirectly, by intimidation, coercion or deception, to obtain or retain a patient or to discourage the use of a second opinion.
- (n) Terminating the medical care of a patient without adequate notice or without making other arrangements for the continued care of the patient.
- (o) 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 knowingly or willfully obstructing or inducing another to obstruct the making or filing of such a record or report.

(p) 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.

(q) 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.

(r) Engaging in any act that is unsafe in accordance with regulations adopted by the Board.

(s) Failure to comply with the provisions of NRS 629.515.

(t) Failure to supervise adequately a medical assistant pursuant to the regulations of the Board.

(u) Failure to obtain any training required by the Board pursuant to NRS 633.473.

(v) Failure to comply with the provisions of NRS 633.6955.

(w) Failure to comply with the provisions of NRS 453.163 or 453.164.

(x) *Failure to comply with the provisions of section 1 or 1.8 of this act.*

2. As used in this section, "investigational drug or biological product" has the meaning ascribed to it in NRS 454.351.

Sec. 7.2. Chapter 635 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Board shall adopt regulations prescribing the training that a podiatric physician must receive before injecting:*

(a) *A neuromodulator that is derived from Clostridium botulinum;*

(b) *A neuromodulator that is biosimilar to or the bioequivalent of a neuromodulator described in paragraph (a); or*

(c) *Dermal or soft tissue fillers.*

2. *A podiatric physician who has received the training prescribed pursuant to subsection 1 shall present proof of such training upon the request of a patient or any state or local governmental agency or agent thereof.*

3. *As used in this section "dermal or soft tissue filler" has the meaning ascribed to it in section 1.8 of this act.*

Sec. 7.5. NRS 635.130 is hereby amended to read as follows:

635.130 1. The Board, after notice and a hearing as required by law, and upon any cause enumerated in subsection 2, may take one or more of the following disciplinary actions:

(a) Deny an application for a license or refuse to renew a license.

(b) Suspend or revoke a license.

(c) Place a licensee on probation.

(d) Impose a fine not to exceed \$5,000.

2. The Board may take disciplinary action against a licensee for any of the following causes:

(a) The making of a false statement in any affidavit required of the applicant for application, examination or licensure pursuant to the provisions of this chapter.

(b) Lending the use of the holder's name to an unlicensed person.

(c) If the holder is a podiatric physician, permitting an unlicensed person in his or her employ to practice as a podiatry hygienist.

(d) Habitual indulgence in the use of alcohol or any controlled substance which impairs the intellect and judgment to such an extent as in the opinion of the Board incapacitates the holder in the performance of his or her professional duties.

(e) Conviction of a crime involving moral turpitude.

(f) Conviction of violating any of the provisions of NRS 616D.200, 616D.220, 616D.240 or 616D.300 to 616D.440, inclusive.

(g) Conduct which in the opinion of the Board disqualifies the licensee to practice with safety to the public.

(h) The commission of fraud by or on behalf of the licensee regarding his or her license or practice.

(i) Gross incompetency.

(j) Affliction of the licensee with any mental or physical disorder which seriously impairs his or her competence as a podiatric physician or podiatry hygienist.

(k) False representation by or on behalf of the licensee regarding his or her practice.

(l) Unethical or unprofessional conduct.

(m) Failure to comply with the requirements of subsection 1 of NRS 635.118.

(n) Willful or repeated violations of this chapter or regulations adopted by the Board.

(o) Willful violation of the regulations adopted by the State Board of Pharmacy.

(p) 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:

(1) Was procured through a retail pharmacy licensed pursuant to chapter 639 of NRS;

(2) 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

(3) Is marijuana being used for medical purposes in accordance with chapter 453A of NRS.

(q) Operation of a medical facility, as defined in NRS 449.0151, at any time during which:

(1) The license of the facility is suspended or revoked; or

(2) An act or omission occurs which results in the suspension or revocation of the license pursuant to NRS 449.160.

➡ This paragraph applies to an owner or other principal responsible for the operation of the facility.

(r) Failure to obtain any training required by the Board pursuant to NRS 635.116.

(s) Failure to comply with the provisions of NRS 453.163 and 453.164.

(t) *Failure to comply with the provisions of section 1 or 1.8 of this act.*

Sec. 7.8. NRS 644.430 is hereby amended to read as follows:

644.430 1. The following are grounds for disciplinary action by the Board:

(a) Failure of an owner of an establishment for hair braiding, a cosmetological establishment, a licensed or registered, as applicable, aesthetician, cosmetologist, hair designer, shampoo technologist, hair braider, electrologist, instructor, nail technologist, demonstrator of cosmetics, makeup artist or school of cosmetology to comply with the requirements of this chapter or the applicable regulations adopted by the Board.

(b) Failure of a cosmetologist's apprentice, electrologist's apprentice, aesthetician's apprentice, hair designer's apprentice or nail technologist's apprentice to comply with the requirements of this chapter or the applicable regulations adopted by the Board.

(c) Obtaining practice in cosmetology or any branch thereof, for money or any thing of value, by fraudulent misrepresentation.

(d) Gross malpractice.

(e) Continued practice by a person knowingly having an infectious or contagious disease.

(f) Drunkenness or the use or possession, or both, of a controlled substance or dangerous drug without a prescription, while engaged in the practice of cosmetology.

(g) Advertising in violation of any of the provisions of NRS 644.422 or 644.478.

(h) Permitting a license to be used where the holder thereof is not personally, actively and continuously engaged in business.

(i) Failure to display the license or a duplicate of the license as provided in NRS 644.290, 644.360, 644.3774 and 644.410.

(j) Failure to display the certificate of registration or a duplicate of the certificate of registration as provided in NRS 644.2175.

(k) Entering, by a school of cosmetology, into an unconscionable contract with a student of cosmetology.

(l) Continued practice of cosmetology or operation of a cosmetological establishment or school of cosmetology after the license therefor has expired.

(m) *Failure to comply with the provisions of section 1 or 1.8 of this act.*

(n) Any other unfair or unjust practice, method or dealing which, in the judgment of the Board, may justify such action.

2. If the Board determines that a violation of this section has occurred, it may:

- (a) Refuse to issue or renew a license or certificate of registration;
- (b) Revoke or suspend a license or certificate of registration;
- (c) Place the licensee or holder of a certificate of registration on probation for a specified period;
- (d) Impose a fine not to exceed \$2,000; or
- (e) Take any combination of the actions authorized by paragraphs (a) to (d), inclusive.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 8. This act becomes effective on July 1, 2017.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 666 to Senate Bill No. 101.

Remarks by Senator Spearman.

Amendment No. 666 to Senate Bill No. 101 specifies that various provisions of measure apply to certain neuromodulators. Certain professionals are prohibited from injecting the specified medications, and it removes the requirements that certain professionals receive additional training prescribed by their respective licensing board; a physician, physician assistant, registered nurse, advanced nurse practitioner are currently performing these procedures within their respective scopes of practice.

Motion carried by a constitutional majority.

Bill ordered enrolled.

Senate Bill No. 366.

The following Assembly Amendment was read:

Amendment No. 714.

SUMMARY—Makes various changes relating to Medicaid. (BDR 38-927)

AN ACT relating to health care; requiring the preparation of a report relating to Medicaid recipients and access to employer-based health insurance; creating the Advisory Committee on Medicaid Innovation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 2 of this bill requires the Director of the Department of Health and Human Services to prepare ~~for a semiannual~~ an annual report which ~~discloses certain~~ lists all employers in this State ~~that~~ which have 50 or more employees and the number of full-time employees of such an employer who are enrolled in Medicaid. ~~[and whether or not the employees have access to an employer-based health care plan.]~~ Section 2 also requires: (1) the report to include information relating to whether the employees of such an employer have access to an employer-based health care plan; and (2) the Director to ~~post this report on the Internet website of the Department and to provide it~~ submit this report to the Governor and the Legislature. Section 2 further requires that this report must not contain any individually identifiable health information and must comply with certain privacy provisions of federal law.

Section 4 of this bill creates the Advisory Committee on Medicaid Innovation within the Division of Health Care Financing and Policy of the Department. Section 5 requires the Advisory Committee to provide certain recommendations to the Director, including, without limitation, public and private prescription purchasing coalitions, encouraging access to health insurance and, finally, any waivers the State may apply for from the Federal Government relating to Medicaid. Section 4 authorizes the Director to appoint as many members to the Advisory Committee as he or she deems necessary or appropriate and requires the voting members of the Advisory Committee to be officers or employees of the Executive Branch of State Government. Section 4 also authorizes the Director to appoint others to serve on the Advisory Committee as nonvoting members. Finally, section 4 requires the members of the Advisory Committee to serve 2-year terms without additional compensation.

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

Section 1. Chapter 422 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. 1. *On or before January 1 ~~and July 1~~ of each year, the Director shall prepare, in consultation with the Director of the Department of Business and Industry, a report which includes, without limitation:*

*(a) The name, street address of the office of the registered agent and the principal place of business of an employer in this State that employs 50 or more ~~persons who are enrolled in Medicaid~~ employees and whether the employer offers health benefits to its employees;*

*(b) The total number of persons enrolled in Medicaid who are employed on a full-time basis by such an employer;*

*(c) The number of persons enrolled in Medicaid who are married to or the dependent of an employee of such an employer; and*

*(d) The cost of providing coverage through Medicaid to the persons described in paragraphs (b) and (c).*

2. *The report prepared pursuant to subsection 1 must not contain any individually identifiable health information and must comply with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended.*

3. *The Director shall ~~post the report required pursuant to subsection 1 on the Internet website of the Department and~~ submit the report required pursuant to subsection 1 to:*

*(a) The Governor; and*

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

4. *The report required pursuant to this section must not include any personally identifiable information of a person whose information is included in the report.*



5. As used in this section, "individually identifiable health information" has the meaning ascribed to it in 45 C.F.R. § 160.103.

Sec. 3. (Deleted by amendment.)

Sec. 4. 1. The Advisory Committee on Medicaid Innovation is hereby created in the Division. The Director shall appoint the members to serve on the Advisory Committee.

2. The Director shall appoint officers and employees of the Executive Branch of State Government to serve as voting members of the Advisory Committee and may appoint such other persons as the Director deems necessary or appropriate to serve as nonvoting members.

3. The Director shall appoint each member to serve for a term of 2 years.

4. At its first meeting and annually thereafter, the Advisory Committee shall elect a Chair from among its voting members.

5. Members of the Advisory Committee serve without any additional compensation.

6. A member of the Advisory Committee who is an officer or employee of this State or a political subdivision of this State must be relieved from his or her duties without loss of regular compensation so that he or she may prepare for and attend meetings of the Advisory Committee and perform any work necessary to carry out the duties of the Advisory Committee in the most timely manner practicable. A State agency or political subdivision of this State shall not require an officer or employee who is a member of the Advisory Committee to:

(a) Make up the time the member is absent from work to carry out his or her duties as a member of the Advisory Committee; or

(b) Take annual leave or compensatory time for the absence.

Sec. 5. 1. The Advisory Committee on Medicaid Innovation created by section 4 of this act shall study:

(a) The manner in which to create or expand public or private prescription purchasing coalitions.

(b) The manner in which to encourage access to employer-based health insurance plans, including, without limitation:

(1) Coordinating coverage provided by the State Plan for Medicaid and private health insurance which may be provided by an employer to a person eligible for Medicaid; and

(2) Providing assistance to a person who is eligible for Medicaid to allow the person to purchase private health insurance.

(c) Opportunities to apply to the Secretary of the United States Department of Health and Human Services for certain waivers pursuant to 42 U.S.C. §§ 1315 and 18052.

2. At least once each year, the Advisory Committee shall make such recommendations to the Director as it deems appropriate relating to opportunities to improve Medicaid or to increase access to health insurance.

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. 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. 12. This act becomes effective on July 1, 2017.

Senator Spearman moved that the Senate concur in Assembly Amendment No. 714 to Senate Bill No. 366.

Remarks by Senators Spearman, Kieckhefer and Cancela.

SENATOR SPEARMAN:

Amendment No. 714 to Senate Bill No. 366 revises the due date on the report, making the report annual rather than semi-annual; clarifies that certain requirements apply to businesses with 50 or more employees; requires the reports to include information as to whether certain employees have access to employer-based healthcare plans; specifies the report include fulltime employees who are enrolled in Medicaid; and removes the requirement to post to report on the Department's website.

SENATOR KIECKHEFER:

Does this apply to both public and private employers? I want to make sure that is maintained in the amendment.

SENATOR SPEARMAN:

I would like to have the bill's sponsor answer that question.

SENATOR CANCELA:

The intention is to include both private and public employers. The amendment does nothing to change that.

Motion carried by a constitutional majority.

Bill ordered enrolled.

#### SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 31, 33, 50, 54, 64, 78, 91, 173; Assembly Bills Nos. 169, 176, 192, 223, 233, 261, 272, 301, 334, 364, 365, 464.

Senator Ford moved that the Senate adjourn until Wednesday, May 24, 2017, at 11:00 a.m.

Motion carried.

Senate adjourned at 6:54 p.m.

Approved:

MARK A. HUTCHISON  
*President of the Senate*

Attest: CLAIRE J. CLIFT

*Secretary of the Senate*