

THE ONE HUNDRED AND NINETEENTH DAY

CARSON CITY (Sunday), June 4, 2017

Senate called to order at 1:54 p.m.

President Hutchison presiding.

Roll called.

All present.

Prayer by Senator Spearman.

Dear God, Creator of the Universe, Giver of all that is good, we come to You this day, and we thank You for all the many blessings that You have bestowed upon us. Yet, we are mindful of those who are still suffering, suffering because of discrimination, suffering in the social margins. We pray that our work here would alleviate those sufferings, and we pray, God, that we would be the instruments of Your hands to do good in this world.

This we pray, in the One Holy Name.

AMEN.

Pledge of Allegiance to the Flag.

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

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 499, 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 was re-referred Assembly Bill No. 486, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

JOYCE WOODHOUSE, *Chair*

Mr. President:

Your Committee on Judiciary, to which was referred Assembly Bill No. 97, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, June 3, 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. 146, 225, 355, 373, 402, 427.

Also, I have the honor to inform your honorable body that the Assembly amended, and on this day passed, as amended, Senate Bill No. 124, Amendment No. 1083; Senate Bill No. 344, Amendments Nos. 881, 1114; Senate Bill No. 361, Amendment No. 1082, 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. 931 to Assembly Bill No. 110; Senate Amendment No. 1063 to Assembly Bill No. 127; Senate Amendment No. 1098 to Assembly Bill No. 175; Senate Amendment No. 896 to Assembly Bill No. 205; Senate Amendments Nos. 780, 1031 to Assembly Bill No. 267; Senate Amendments Nos. 1099, 1104 to Assembly Bill No. 328; Senate Amendment No. 781 to Assembly Bill No. 339; Senate Amendments Nos. 869, 967 to Assembly

Bill No. 408; Senate Amendment No. 1052 to Assembly Bill No. 468; Senate Amendment No. 1102 to Assembly Bill No. 472.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to concur in Senate Amendment No. 858 to Assembly Bill No. 359.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 47, Assembly Amendment No. 832, and requests a conference, and appointed Assemblymen Swank, Carlton and Kramer as a Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 144, Assembly Amendment No. 892, and requests a conference, and appointed Assemblymen Diaz, Ohrenschall and Oscarson as a Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Bill No. 259, Assembly Amendment No. 948, and requests a conference, and appointed Assemblymen Yeager, Fumo and Wheeler as a Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day respectfully refused to recede from its action on Senate Joint Resolution No. 17 of the 78th Session, Assembly Amendment No. 894, and requests a conference, and appointed Assemblymen Joiner, Monroe-Moreno and Hambrick as a Conference Committee to meet with a like committee of the Senate.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Diaz, Benitez-Thompson and Hambrick as a Conference Committee concerning Assembly Bill No. 45.

Also, I have the honor to inform your honorable body that the Assembly on this day appointed Assemblymen Sprinkle, Benitez-Thompson and Titus as a Conference Committee concerning Assembly Bill No. 249.

CAROL AIELLO-SALA
Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that Senate Bill No. 539 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Ford moved that Assembly Bill No. 382; Assembly Joint Resolution No. 14 be taken from their positions on the General File and placed at the top of the General File after the Senate bills.

Motion carried.

Senator Atkinson moved that Assembly Bill No. 206 be taken from the General File and placed on the Secretary's desk.

Motion carried.

Senator Woodhouse moved that Assembly Bill No. 434 be taken from the Secretary's desk and placed at the bottom of the Second Reading File, second Agenda.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 430.

Bill read third time.

Remarks by Senator Denis.

Senate Bill No. 430 creates a new type of achievement charter school, an A+ school, which operates within the Achievement School District under the guidance of a principal and a governing body appointed by an independent administrator. An A+ school may request a waiver of State laws or regulations relating to education.

This bill also enables parents whose children attend an underperforming school to petition for the school to be converted to an achievement charter school or to enter into a performance compact and requires the Department of Education to negotiate performance compacts with certain underperforming schools. The bill further prescribes operational guidelines and procedures for the Achievement School District.

Roll call on Senate Bill No. 430:

YEAS—21.

NAYS—None.

Senate Bill No. 430 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Senate Bill No. 554.

Bill read third time.

Remarks by Senators Atkinson and Kieckhefer.**SENATOR ATKINSON:**

Senate Bill No. 554 requires a driver affiliated with a transportation network company (TNC) to provide verification to the TNC that he or she holds a valid State business registration not later than six months after the driver is allowed to receive connections to potential passengers and annually thereafter on or before the anniversary date of the agreement with the TNC. A TNC must terminate an agreement with a driver who fails to provide this information. The Nevada Transportation Authority must provide the name of each driver affiliated with a TNC to the Secretary of State, who must keep the information confidential. This bill was passed earlier by this House this Session as Senate Bill No. 226 but was changed on the other side. This bill is identical to what we previously sent over with no other additions, and I encourage the Body to pass it as they did previously which was by a vote of 17 to 4.

SENATOR KIECKHEFER:

Senate Bill No. 554 is identical to Senate Bill No. 226 that I voted against because it was punitive on TNCs, and it became more punitive in the other Chamber. I remain a "no" to remain consistent on the policy I voted on earlier.

Roll call on Senate Bill No. 554:

YEAS—16.

NAYS—Goicoechea, Gustavson, Hammond, Kieckhefer, Roberson—5.

Senate Bill No. 554 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 382.

Bill read third time.

Remarks by Senators Ratti and Hardy.**SENATOR RATTI:**

Assembly Bill No. 382 requires certain out-of-network hospitals, emergency medical-care centers, and physicians to accept under certain circumstances, as payment in full for certain

emergency services and care, a reasonable rate offered by a third-party health insurer or health-benefit plan. If a hospital, center or physician rejects the amount offered by the third party, the bill authorizes such entities to negotiate a different rate. A hospital, center, physician or third party may, under certain circumstances, file a complaint and request mediation with the Governor's Consumer Health Advocate, which must establish procedures for processing such requests. The bill outlines certain procedures and considerations the Advocate must make in determining an acceptable rate of payment.

In addition, Assembly Bill No. 382 requires a third party that wishes to pay the amount offered as payment to conduct a review of the adequacy of its network and annually submit certain reports to the Consumer Health Advocate. Certain hospitals and emergency medical-care centers must submit to the Advocate annual reports concerning collection of debts, rate increases and negotiated payments for emergency services. The Advocate must provide an annual summary of such data to the Legislative Committee on Health Care.

SENATOR HARDY:

I rise in opposition to Assembly Bill No. 382. It will have an adverse effect on care access to care recruitment. Someday, we will have a definition of reasonable, but it is not contained in this bill. The mediation process is problematic.

Roll call on Assembly Bill No. 382:

YEAS—12.

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

Assembly Bill No. 382 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Joint Resolution No. 14.

Resolution read third time.

Remarks by Senators Spearman and Hardy.

SENATOR SPEARMAN:

Assembly Joint Resolution No. 14 proposes to amend the *Nevada Constitution* to provide that no hospital or independent facility for emergency medical care shall deny medically necessary emergency treatment or services to a person, regardless of whether the person has health insurance and regardless of the person's ability to pay for such services. The resolution provides all persons in Nevada have a right to receive emergency medical care at a reasonable cost. No hospital or independent facility shall charge an amount greater than 150 percent of the lowest rate the hospital or facility has agreed to accept from a federal insurer or the rate provided by law, whichever is greater.

If the Legislature has not provided a rate by law, the State agency authorized to regulate hospitals or independent facilities may allow an increase in the rate if the facility proves it is necessary to avoid a rate deemed confiscatory under the *United States Constitution*. These provisions may not be waived or varied by agreement. They may be enforced by the State of Nevada or a political subdivision. They may also be enforced by a civil action brought by a person who is denied any protected rights. The Legislature shall provide for the administration and enforcement of the provisions and may provide for a different rate if it establishes a commission to ensure compliance. If approved in identical form in the 2019 Legislative Session, the proposal will be submitted to the voters for final approval or disapproval at the 2020 general election.

SENATOR HARDY:

I rise in opposition to Assembly Joint Resolution No. 14. It has flaws, concerns and is an experiment in the Constitution. People have the right to care, and this does not keep the patient out of the middle on an out-of-network issue.

Roll call on Assembly Joint Resolution No. 14:

YEAS—12.

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

Assembly Joint Resolution No. 14 having received a constitutional majority, Mr. President declared it passed.

Resolution ordered transmitted to the Assembly.

Assembly Bill No. 49.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 49 revises various provisions concerning charter schools and the State Public Charter School Authority related to administrative processes, school accountability and transparency.

Roll call on Assembly Bill No. 49:

YEAS—21.

NAYS—None.

Assembly Bill No. 49 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 69.

Bill read third time.

Remarks by Senator Manendo.

Assembly Bill No. 69 authorizes a fully autonomous vehicle to be tested or operated on a highway within this State under certain circumstances. The bill also provides for the testing and use of driver-assistive platooning technology within this State. The bill authorizes Nevada's Department of Motor Vehicles to adopt certain regulations relating to autonomous vehicles and to impose an administrative fine for violations of laws or regulations related to autonomous vehicles.

The bill requires a person responsible for the testing of an autonomous vehicle to report certain crashes to the Department. The bill prohibits a local government from imposing a tax, fee or other requirement on any automated driving system or autonomous vehicle. The bill extends immunity from liability for damages caused by modifications by an unauthorized third party to the original manufacturer or developer of an automated driving system.

The bill provides for the permitting by the Nevada Transportation Authority (NTA) of "autonomous vehicle network companies" and addresses its regulation, insurance and taxation in a manner generally consistent with transportation network companies. The bill also requires the NTA and the Taxicab Authority to authorize a common motor carrier, contract motor carrier or a certificate holder to use one or more fully autonomous vehicles in certain circumstances. Lastly, Assembly Bill No. 69 requires the NTA to adopt regulations as are necessary to carry out the provisions of this bill.

Roll call on Assembly Bill No. 69:

YEAS—21.

NAYS—None.

Assembly Bill No. 69 having received a two-thirds majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 94.

Bill read third time.

Remarks by Senator Ratti.

Assembly Bill No. 94 removes the pilot designation from the NV Grow Program, designates the program as the NV Grow Act and repeals the prospective June 30, 2017, expiration date. The bill recognizes the Small Business Development Center in Clark County as a participant in the program and requires cooperation with the geographic information system specialist. The bill requires the Small Business Development Centers in Clark and Washoe Counties to select the lead counselor and manage the NV Grow Program jointly. The goal for the number of Clark County businesses participating in the program is changed from 10 businesses under the pilot program to 15 businesses per year; and the minimum revenue threshold for participation in the program is reduced from \$100,000 per year to \$50,000 per year.

The bill also requires an appropriation of \$350,000 from the State General Fund to the Nevada System of Higher Education with \$225,000 to be used by the Nevada Small Business Development Centers to provide services necessary to assist and carry out the NV Grow Program; to provide grants of \$25,000 each to the Urban Chamber of Commerce and the Las Vegas Latin Chamber of Commerce for program support for business courses, and \$125,000 to allow the College of Southern Nevada to hire a geographic information specialist to assist small businesses who participate in the NV Grow Program. This is a wonderful program for supporting our small businesses and making sure they the tools they need to grow.

Roll call on Assembly Bill No. 94:

YEAS—21.

NAYS—None.

Assembly Bill No. 94 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 130.

Bill read third time.

Remarks by Senator Cannizzaro.

Assembly Bill No. 130 makes various changes to provisions governing guardianship. Specifically, the bill allows a court to require a proposed guardian to file a proposed preliminary care plan and budget. A person who retains an attorney for the purposes of representing a party in a guardianship is responsible for attorney's fees and costs. The person may petition the court for an order authorizing the payment of attorney's fees and costs from the estate of the ward. A court-appointed attorney may seek compensation for his or her services from the guardianship estate in accordance with the established process. In addition, the measure provides that only the prevailing party in a contested issue in a guardianship proceeding may petition the court for the payment of attorney's fees and costs. If the court determines that there is no prevailing party, the court may authorize a portion of each party's attorney's fees and costs to be paid.

The measure replaces the term "incompetent" with "incapacitated" and revises the definition of "incapacitated." The bill requires notice and service of petitions, reports, hearings and sales of property to a ward 14 years of age or older without regard to the ward's capacity to understand information conveyed and revises requirements for the sale of personal or real property of a ward.

The bill creates the State Guardianship Compliance Office, which is appointed by the Nevada Supreme Court and serves at the pleasure of the Court. The State Guardianship Compliance Officer is authorized to hire two accountants and two investigators to provide services to the district courts as part of guardianship proceedings. The bill appropriates \$954,751 over the 2017-2019 biennium from the State General Fund to the Nevada Supreme Court to pay the costs of the Office. Finally, the bill revises the effective dates for certain provisions of Senate Bill No. 433 of this Session.

Roll call on Assembly Bill No. 130:

Yeas—21.

NAYS—None.

Assembly Bill No. 130 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 183.

Bill read third time.

Remarks by Senators Segerblom and Kieckhefer.

SENATOR SEGERBLOM:

Assembly Bill No. 183 makes various changes to provisions concerning the collection of amounts payable to a hospital for patient care. These are instances where the auto insurance has already paid and the question is whether the hospital can take part of the insurance payment.

Among other things, the bill limits the amount that a hospital may collect or attempt to collect from a patient or other responsible party under certain circumstances; requires a hospital to collect from a person's health insurance before collecting from a statutory lien; requires a hospital to provide notification to the injured person, under certain circumstances, prior to filing a lien; specifies the procedures a hospital must follow before perfecting a lien and provides that if the lien is perfected in violation of these procedures the lien is void; provides that any amount received from a lien constitutes the complete satisfaction of any debt owed by the injured person to the hospital for the care provided, and prohibits a hospital from collecting more than 55 percent of the charges.

SENATOR KIECKHEFER:

I was against this bill in its original form, but as amended and agreed to by all the parties, I will be supporting it.

Roll call on Assembly Bill No. 183:

YEAS—17.

NAYS—Gansert, Goicoechea, Hardy, Settelmeyer—4.

Assembly Bill No. 183 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 207.

Bill read third time.

Remarks by Senator Cannizzaro.

Assembly Bill No. 207 revises the process for selecting trial jurors. The jury commissioner assigned to select trial jurors must compile and maintain a list of qualified electors from information provided by the voter registration list in the county; the Department of Motor Vehicles; the Employment Security Division of the Department of Reemployment, Training and Rehabilitation; and certain public utilities. The Division must be reimbursed for the reasonable cost of providing the requested information. In addition, the jury commissioner is required to keep certain records of each trial juror who is selected and who appears for jury service. This information is to be reported once a year to the court administrator. A person who uses the information collected for purposes other than those authorized by the administrator of the Division or by the law, or fails to protect and prevent the unauthorized use or dissemination of such information, is guilty of a gross misdemeanor.

Senator Ford moved that the bill be taken from the General File and placed on the Secretary's desk.

Motion carried.

Assembly Bill No. 326.

Bill read third time.

Remarks by Senator Segerblom.

Assembly Bill No. 326 provides a process for the disclosure of documentation supporting information in a presentence report on a defendant's criminal gang affiliation or membership. This is important because a present report will follow a person throughout their path through the justice system. If there is incorrect information in the report, it could hurt the person so it is important the information be correct from the beginning.

Roll call on Assembly Bill No. 326:

YEAS—21.

NAYS—None.

Assembly Bill No. 326 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 348.

Bill read third time.

Remarks by Senators Spearman, Denis and Hardy.

SENATOR SPEARMAN:

Assembly Bill No. 348 revises provisions concerning a course or unit of instruction in acquired immune deficiency syndrome, the human reproductive system, related communicable diseases and sexual responsibility. It requires the board of trustees of a school district to periodically revise the content of such instruction to ensure the content is current, age-appropriate and, as applicable, medically accurate and to report to the Legislature on the status of the instruction. The bill also allows the course of instruction to be taught by a teacher or school nurse whose qualifications have been previously approved by the board of trustees and adds provisions related to the notification and consent of a parent or guardian with respect to a student's participation in the instruction.

SENATOR DENIS:

This was a different bill when the sponsor started. She listened to many different folks and expanded the opportunity for parental notification in this bill. She also included the opportunity for a report to be given to see who has and has not received instruction. That will be helpful as we move forward. Because of these things, I will be supporting this bill.

SENATOR HARDY:

I rise in opposition to the bill.

Roll call on Assembly Bill No. 348:

YEAS—12.

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

Assembly Bill No. 348 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 388.

Bill read third time.

Remarks by Senator Woodhouse.

Assembly Bill No. 388 appropriates State General Funds in the amount of \$500,000 in each year of the 2017-19 biennium to the Division of Public and Behavioral Health of the Department of Health and Human Services for costs to support the Women's Health Connection Program. Funding not committed for expenditure after June 30, 2019, and not spent after September 20, 2019, must be reverted to the State General Fund.

Roll call on Assembly Bill No. 388:

YEAS—21.

NAYS—None.

Assembly Bill No. 388 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 397.

Bill read third time.

Remarks by Senator Ford.

Assembly Bill No. 397 appropriates State General Funds in the amount of \$500,000 in each year of the 2017-19 biennium to the Division of Public and Behavioral Health of the Department of Health and Human Services. The Administrator of the Division of Public and Behavioral Health shall use the money appropriated to award grants to local government entities and nonprofit organizations to provide certain family-planning services to persons who would otherwise have difficulty obtaining such services. The sums appropriated are available for either fiscal year. Funding not committed for expenditure after June 30, 2019, and not spent after September 20, 2019, must be reverted to the State General Fund.

Roll call on Assembly Bill No. 397:

YEAS—12.

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

Assembly Bill No. 397 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 405.

Bill read third time.

Remarks by Senators Atkinson and Settlemeyer.

SENATOR ATKINSON:

Assembly Bill No. 405 creates the Renewable Energy Bill of Rights that applies to each natural person who is a resident of Nevada. The bill also creates the contractual requirements for an agreement for the lease or purchase of a distributed generation system and a power-purchase agreement. It establishes the minimum warranty requirements for an agreement concerning a distributed-generation system. Failure to comply with these provisions constitutes a deceptive trade practice and consumer fraud.

Assembly Bill No. 405 also makes changes to net-metering provisions in the law. The bill requires an electric utility to file a request with the Public Utilities Commission of Nevada (PUCN) to establish an optional time-variant rate schedule for customers. Also, if a customer-generator accepts an offer of a utility for net metering with a capacity of 25 kilowatts or less, the utility must provide a customer-generator a credit for certain excess electricity

generated by the customer-generator. The credit for each kilowatt-hour of excess electricity must equal a percentage of the rate, which is tiered based on the amount of the cumulative installed capacity of all net-metering systems with a capacity of less than 25 kilowatts in this State.

The bill requires the PUCN to open an investigatory docket to establish a methodology for determining the effect on rates charged by a utility to its customers. On or before June 30, 2020, and biennially thereafter, the PUCN must submit a report concerning the impact of net metering on such rates to the Director of the Legislative Counsel Bureau for transmittal to the Legislature.

In addition, the measure enacts provisions relating to net metering that would become effective on the date that the Legislature provides by law for an open, competitive electric-energy market in a service territory. Further, Assembly Bill No. 405 sets forth the procedures for determining the peak demand for electricity for the previous calendar year and repeals provisions that had established a new net-metering tariff pursuant to Senate Bill 374 of the 2015 Legislative Session.

A lot went into this bill to make an imperfect bill workable. The sponsor of the bill in the Assembly worked with us as did the Governor's Office, the PUCN and others. While the bill is still not perfect, we have come a long way toward providing a bill for our constituents that sets forth regulations and targets that will serve them well. People want solar systems and jobs in the solar industry. This bill will give that back to our constituents and our communities.

SENATOR SETTELMAYER:

I rise in support of Assembly Bill No. 405. I thank the Chair from District No. 4 for the work he put into the bill, realizing it was much needed. When this bill came to us from the Assembly, there was a concern about public safety; it allowed people to hook onto the grid without having to notify the power company. That would have killed lineman; there is no doubt. I am sad it made it out of the Assembly in that form. I am grateful the Chair saw that, and we corrected it. If we mess up on energy policy, the thought is, big deal, we will come back next Session and fix it. You cannot fix it if someone dies. I support the changes that have been made to this bill.

Roll call on Assembly Bill No. 405:

YEAS—21.

NAYS—None.

Assembly Bill No. 405 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 407.

Bill read third time.

Remarks by Senators Spearman, Hammond and Goicoechea.

SENATOR SPEARMAN:

Assembly Bill No. 407 specifies that the State land grant institutions of the University of Nevada are the University of Nevada, Las Vegas; the University of Nevada, Reno and the Desert Research Institute. It also requires the Legislative Auditor to conduct a performance and compliance audit of the cooperative-extension program of the Nevada System of Higher Education for Fiscal Year 2017-2018 and any prior years deemed necessary by the Legislative Auditor, and requires the Legislative Auditor to submit a report of the results of the audit to the Audit Subcommittee of the Legislative Commission on or before February 4, 2019.

SENATOR HAMMOND:

I rise in support of this bill which puts in statute the status quo we have been under for the last 50 years and which has been the basis for all subsequent higher education policy in the State. The bill is not creating a new land grant institution. There is only one land grant institution in Nevada, the University of Nevada, which is composed of three branches. A campus can have land grant status and not administer cooperative extension (CES) or agricultural experiments. In California, all University of California branches have land grant status but CES is administered

by Riverside in the south and Davis in the north. The other campuses have no role in these programs. The University of Nevada, Reno's administration and funding for CES and agriculture experiment will be unaffected as UNLV will have no role in either program. Designating UNR, UNLV and DRI as branches of the State land grant institution will reduce the bureaucratic hurdles that campuses must go through to apply for other non-agriculture related federal grants available to land grant institutions such as Healthy Homes. Having this designation in statute for UNLV will be important for its School of Medicine as it seeks to tap federal resources.

SENATOR GOICOECHEA:

The disbursement of funding from the federal government is set on agriculture acreage. Will that be affected by enlarging or changing this from one land grant institution to two?

SENATOR HAMMOND:

If we divide the agriculture program, it might be. The way the bill is written, it did that and asked that the north run the program. This bill asks for an audit and land grant status and nothing else.

SENATOR GOICOECHEA:

That would be a concern as we move into this. It might change the amount or where the funds would go as the agriculture acreage in the north exceeds that in the south.

Roll call on Assembly Bill No. 407:

YEAS—15.

NAYS—Gansert, Goicoechea, Gustavson, Kieckhefer, Ratti, Settelmeyer—6.

Assembly Bill No. 407 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Manendo moved that Assembly Bill No. 414 be taken from the General File and placed at the bottom of the General File, last Agenda.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 421.

Bill read third time.

Remarks by Senator Harris.

Assembly Bill No. 421 requires, with respect to prisoners in custody in Clark County, that a sheriff, chief of police or town marshal collaborate with the Department of Health and Human Services and providers in the county to arrange for the coordination of mental-health care and substance-abuse treatment provided to a prisoner while in custody and after release from custody. Mental-health and substance-abuse treatment provided may include any medication approved by the United States Food and Drug Administration and prescribed by a treating physician as medically necessary. Finally, the measure requires each sheriff and the Director of the Department to report to the Legislative Committee on Health Care regarding such coordination and oversight.

Roll call on Assembly Bill No. 421:

YEAS—21.

NAYS—None.

Assembly Bill No. 421 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 484.

Bill read third time.

Remarks by Senator Segerblom.

Assembly Bill No. 484 relocates the Commission on Postsecondary Education from the Department of Education to the Employment Security Division of the Department of Employment, Training and Rehabilitation (DETR). This is designed to coordinate higher education with our jobs needs which would be under DETR.

Roll call on Assembly Bill No. 484:

YEAS—21.

NAYS—None.

Assembly Bill No. 484 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Atkinson moved that Assembly Bill No. 487 be taken from the General File and placed on the Secretary's desk.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 489.

Bill read third time.

Remarks by Senator Cancela.

Assembly Bill No. 489 expands the authorized use of funds in the Revolving Account for Land Management by the State Land Registrar to include the acquisition of land and any required environmental assessments or mitigation. The bill provides that if the balance in the Revolving Account is below \$20,000, the State Land Registrar may request an allocation from the Contingency Account in the State General Fund. Finally, the bill appropriates \$200,000 from the State General Fund to the Revolving Account to replenish the balance in that account.

Roll call on Assembly Bill No. 489:

YEAS—21.

NAYS—None.

Assembly Bill No. 489 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 493.

Bill read third time.

Remarks by Senator Parks.

Assembly Bill No. 493 appropriates \$5,067,144 from the General Fund to the Department of Corrections for outside medical expenditures and \$321,239 for temporary staffing for Prison Medical in FY 2017. The bill also appropriates \$564,152 from the General Fund to the Department of Corrections for an unanticipated shortfall in personnel costs at Florence McClure Women's Correctional Center, for a total supplemental appropriation of \$5,952,535 for the Department.

Roll call on Assembly Bill No. 493:

YEAS—21.

NAYS—None.

Assembly Bill No. 493 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 497.

Bill read third time.

Remarks by Senator Woodhouse.

Assembly Bill No. 497 appropriates \$734,147 from the Highway Fund to the Department of Motor Vehicles for a projected shortfall related to credit-card processing fees in FY 2017.

Roll call on Assembly Bill No. 497:

YEAS—21.

NAYS—None.

Assembly Bill No. 497 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 498.

Bill read third time.

Remarks by Senator Parks.

Assembly Bill No. 498 makes an appropriation of \$351,938 from the State General Fund to the Division of Emergency Management of the Department of Public Safety for a joint field office to work with the Federal Emergency Management Agency on flood reimbursements related to the 2017 floods.

Roll call on Assembly Bill No. 498:

YEAS—21.

NAYS—None.

Assembly Bill No. 498 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 500.

Bill read third time.

Remarks by Senator Ford.

Assembly Bill No. 500 appropriates \$25,000 from the State General Fund to the Account for the Governor's Portrait for the preparation and framing of a portrait of Governor Brian Sandoval.

Roll call on Assembly Bill No. 500:

YEAS—21.

NAYS—None.

Assembly Bill No. 500 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 501.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 501 makes a General Fund appropriation to the Legislative Fund in the sum of \$1,058,788 for dues and registration for national organizations, such as the National

Conference of State Legislators, the Council of State Governments and the National Conference of Commissioners on Uniform State Laws, and for replacement equipment including computer hardware and mobile radio equipment.

Roll call on Assembly Bill No. 501:

YEAS—21.

NAYS—None.

Assembly Bill No. 501 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 502.

Bill read third time.

Remarks by Senator Woodhouse.

Assembly Bill No. 502 appropriates \$80,000 from the State General Fund to the Account for Pensions for Silicosis, Diseases Related to Asbestos and Other Disabilities.

Roll call on Assembly Bill No. 502:

YEAS—21.

NAYS—None.

Assembly Bill No. 502 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 503.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 503 appropriates \$6,334,319 from the State General Fund to the Office of the Secretary of State for the second phase of the replacement of the Electronic Secretary of State System software and hardware.

Roll call on Assembly Bill No. 503:

YEAS—21.

NAYS—None.

Assembly Bill No. 503 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 504.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 504 provides funding totaling \$15 million in the 2017-19 biennium for the first phase of an information technology project to replace the State's existing financial, human resource procurement and budgeting information systems. The bill appropriates a total of \$600,000, including \$486,000 in General Fund and \$114,000 in Highway Fund, to the Governor's Office of Finance for the development of a project plan and request for proposals and the evaluation of such proposals.

Assembly Bill No. 504 appropriates \$14.4 million, including \$11,664,000 in General Fund and \$2,736,000 in Highway Fund, to the Interim Finance Committee for allocation to the Governor's Office of Finance for the project upon presentation of a project plan and itemization

of costs. Finally, the bill requires that the portion of actual project costs funded with General Fund appropriations be included in the Statewide cost recovery plan, beginning in Fiscal Year 2020.

Roll call on Assembly Bill No. 504:

YEAS—21.

NAYS—None.

Assembly Bill No. 504 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 511.

Bill read third time.

Remarks by Senators Woodhouse and Gustavson.

SENATOR WOODHOUSE:

Assembly Bill No. 511 appropriates from the State General Fund to the Millennium Scholarship Trust Fund the sum of \$20 million.

SENATOR GUSTAVSON:

This program to award free college tuition was created at the end of the last century. When it was created, Governor Kenny Guinn said these scholarships would be funded completely out of revenues received through the State's tobacco settlement fund. We knew that these funds would not last forever. I was reluctant at the time to support this measure; but I agree the Millennium Scholarships are a great idea, and I think they still are. Since then, lawmakers return to this building time and time again to transfer millions upon millions of tax dollars from the General Fund without input by way of a vote of the people, from the taxpayers who put that money there.

If taxpayers are expected to fund this program for eternity, at the very least we are responsible to review this program continuously to ensure it operates appropriately and to ask questions when it does not. Did anyone question the data provided to this Body by the Nevada System of Higher Education for 2009 through 2011, which displayed that even though the percentage of non-Millennium scholars requiring remedial instruction was decreasing, the percentage on Millennium scholars requiring remedial instruction was increasing?

The Millennium Scholarship program is not solvent. This Body should reset this program to operate the way it was intended. We need to stop subsidizing this program from the General Fund, and we need to adjust the eligibility requirements to ensure that the qualifications for receiving this scholarship are warranted. For those reasons, I will be voting "no" on this bill.

Roll call on Assembly Bill No. 511:

YEAS—20.

NAYS—Gustavson.

Assembly Bill No. 511 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 512.

Bill read third time.

Remarks by Senator Ford.

Assembly Bill No. 512 extends the expiration date requiring a court imposed \$100 fee for driving under the influence of intoxicating liquor or a controlled substance from June 30, 2017, to June 30, 2019, to continue support for specialty court programs.

Roll call on Assembly Bill No. 512:

YEAS—21.

NAYS—None.

Assembly Bill No. 512 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 519.

Bill read third time.

Remarks by Senator Denis.

Assembly Bill No. 519 makes an appropriation of \$8 million from the State General Fund to the Secretary of State for the award of grants to the counties in this State for the purchase of voting machines and related costs. The bill provides that the grants of money, upon application from the counties, shall be allocated as follows: Clark County, not more than \$4.5 million; Washoe County, not more than \$1.7 million; and remaining counties, not more than \$1.8 million.

Roll call on Assembly Bill No. 519:

YEAS—21.

NAYS—None.

Assembly Bill No. 519 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 520.

Bill read third time.

Remarks by Senator Woodhouse.

Assembly Bill No. 520 appropriates \$500,000 from the State General Fund to the Nevada State Museum, Las Vegas, to provide a grant to the Springs Preserve Foundation to construct a new playground at the Las Vegas Springs Preserve.

Roll call on Assembly Bill No. 520:

YEAS—21.

NAYS—None.

Assembly Bill No. 520 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 521.

Bill read third time.

Remarks by Senator Hardy.

Assembly Bill No. 521 establishes a program to provide financial assistance to a veteran's family for the disinterment of a veteran for relocation to a veterans' cemetery. The bill requires the Director of the Department of Veterans Services to adopt regulations prescribing the application process and the criteria for the award of such financial assistance. Finally, the bill appropriates \$100,000 from the State General Fund to the Director of the Department of Veterans Services for the purpose of providing financial assistance for the program.

Roll call on Assembly Bill No. 521:

YEAS—21.

NAYS—None.

Assembly Bill No. 521 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 522.

Bill read third time.

Remarks by Senator Woodhouse.

Assembly Bill No. 522 provides for General Fund appropriations of \$300,000 to the Nevada Teach Program at the University of Nevada, Reno, to assist students in obtaining certification to teach mathematics, science or engineering at the middle school or high school level. The appropriation is available for expenditure in either year of the 2017-19 biennium.

Roll call on Assembly Bill No. 522:

YEAS—21.

NAYS—None.

Assembly Bill No. 522 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS

RECEDE FROM SENATE AMENDMENTS

Senator Segerblom moved that the Senate do not recede from its action on Assembly Bill No. 25, that a conference be requested, and that Mr. President appoint a Conference Committee consisting of three members to meet with a like Committee of the Assembly.

Motion carried.

Bill ordered transmitted to the Assembly.

APPOINTMENT OF CONFERENCE COMMITTEES

President Hutchison appointed Senators Segerblom, Cannizzaro and Denis as a Conference Committee to meet with a like Committee of the Assembly for the further consideration of Assembly Bill No. 25.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Atkinson moved that Assembly Bill No. 487 be taken from the Secretary's desk and placed at the top of the General File.

Motion carried.

GENERAL FILE AND THIRD READING

Assembly Bill No. 487.

Bill read third time.

Remarks by Senators Spearman, Settlemeyer and Atkinson.

SENATOR SPEARMAN:

Assembly Bill No. 487 confers upon the Taxicab Authority limited enforcement jurisdiction over persons who are drivers for transportation network companies. The bill also makes various changes to provisions concerning the Taxicab Authority. These changes include removing the

requirement for money from the technology fee collected by the Taxicab Authority to be spent on a computerized real-time data system and authorizing its use for the implementation of technological improvements in safety; removing the requirement that the Taxicab Authority has to approve the design of cruising lights of taxicabs and authorizes the use of advertisement on the exterior of taxicabs with certain restrictions; mandating that any vehicle used as a taxicab may only be used as a taxicab for 120 months after the date on which the vehicle was manufactured; requiring each taxicab to display a statement indicating whether the certified holder accepts credit and debit cards and, if so, listing the maximum fee a customer will be charged for the convenience of using a credit or debit card; revising the required frequency of random taxicab inspections; allowing an applicant for a driver's permit to drive a taxicab to reside in a state that adjoins the county in which the applicant has applied for the driver's permit; revising provisions regarding daily trip sheets to allow for the use of certain electronic-operating systems, and making revisions to current prohibitions against long-hauling. Finally, the bill eliminates restrictions on the use of dynamic displays on vehicles.

SENATOR SETTELMAYER:

I appreciate the amendments and work that was done in the Assembly to make Assembly Bill No. 487 a better bill. This bill purports to be about deregulation, yet I do not believe this to be so. The language in the bill changes from "may" collect the \$3 credit-card fee to "must." This should have been a sliding scale as there are no businesses where it costs \$3 to collect a credit card fee. The language should have been more permissive. It discusses concept of deregulation but says that only 50 percent of a fleet can be rented. How does restricting something equal deregulation? That, and more importantly as we have seen with other bills, there is a habit in the Assembly of a bill having to do with the TNC being changed. Because this bill opens up that chapter, I will be voting "no".

SENATOR ATKINSON:

I will disagree with my colleague on this bill. This is compromise legislation. There was no opposition when this bill was heard in Committee nor was there anyone neutral to the bill. There has been much work done on this legislation. The \$3 fee can be debated and was reviewed by the Committee. The language is changing from "may" to "shall", but that fee has been a reality without the language in this bill since the fee was implemented. This may not be perfect, but it has come a long way and did not have opposition and both parties worked together to get it done. I will be voting "yes" on this bill and encourage my colleagues to do the same.

Roll call on Assembly Bill No. 487:

YEAS—16.

NAYS—Goicoechea, Gustavson, Kieckhefer, Roberson, Settelmeyer—5.

Assembly Bill No. 487 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Judiciary, to which was referred Assembly Bill No. 413, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

SECOND READING AND AMENDMENT

Assembly Bill No. 97.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1131.

SUMMARY—Revises provisions relating to evidence collected from and the reimbursement of payment for forensic medical examinations of victims of sexual assault. (BDR 15-538)

AN ACT relating to crimes; requiring a law enforcement agency to submit certain sexual assault forensic evidence kits to a forensic laboratory within a certain period after receipt thereof; requiring a forensic laboratory to test sexual assault forensic evidence kits within a certain period after receipt thereof and to report certain information concerning sexual assault forensic evidence kits on an annual basis; requiring the Attorney General to designate a department or division of the Executive Department of State Government to establish a statewide sexual assault forensic evidence kit tracking program; making various changes to the Subcommittee to Review Arrestee DNA of the Advisory Commission on the Administration of Justice; authorizing a county to be reimbursed from the Fund for the Compensation of Victims of Crime for the payment of costs associated with forensic medical examinations of victims of sexual assault; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section ~~1.1~~ 1.3 of this bill requires a law enforcement agency to submit a sexual assault forensic evidence kit (hereinafter "SAFE kit") to the applicable forensic laboratory responsible for conducting a genetic marker analysis not later than 30 days after receiving the SAFE kit. Such a requirement does not apply with regard to any noninvestigatory SAFE kit associated with a victim who ~~is (1) has chosen to remain anonymous, or (2) indicates that he or she is not a victim of sexual assault.~~ Section ~~1.1~~ 1.3 also requires each forensic laboratory that receives a SAFE kit from a law enforcement agency to: (1) test the SAFE kit not later than 120 days after receiving the SAFE kit; and (2) upon completion of a genetic marker analysis, include the DNA profile obtained from the genetic marker analysis in the State DNA Database and the Federal Bureau of Investigation's Combined DNA Index System. Section ~~1.1~~ 1.3 further requires each forensic laboratory to submit a report annually to the Director of the Legislative Counsel Bureau, for transmittal to the next session of the Legislature or to the Legislative Commission, as applicable. The report must include certain information concerning SAFE kits received by the forensic laboratory, depending on whether a SAFE kit was received by the forensic laboratory before January 1, 2015, or on or after January 1, 2015.

Section 1.7 of this bill requires the Attorney General to designate a department or division of the Executive Department of State Government to establish a statewide program to track SAFE kits. Section 1.7: (1) requires the designated department or division to submit to the Governor and the Director of the Legislative Counsel Bureau, for transmittal to a Subcommittee of the Advisory Commission on the Administration of Justice, biannual reports concerning the program; and (2) authorizes the designated department or division to apply for and accept any gift, donation, bequest,

grant or other source of money to carry out the provisions relating to the program. Section 1.7 also requires each law enforcement agency, prosecutor, forensic laboratory and provider of health care who performs forensic medical examinations in this State to participate in the program and provides immunity from civil liability to any agency or person who participates in the program in good faith and without gross negligence.

Existing law establishes the Subcommittee to Review Arrestee DNA of the Advisory Commission on the Administration of Justice and requires the Subcommittee to evaluate, review and submit a report to the Commission regarding certain issues relating to arrestee DNA. (NRS 176.01246) Section 3.1 of this bill: (1) revises the name of the Subcommittee to reflect the broader duties assigned pursuant to this bill; and (2) requires the Subcommittee to additionally evaluate, review and submit a report to the Commission regarding the submittal, storage and testing of SAFE kits.

Existing law requires a county in whose jurisdiction a sexual assault is committed to pay any costs incurred by a hospital for the forensic medical examination of the victim of the sexual assault. (NRS 217.300) Existing law also authorizes a compensation officer of the Department of Administration to order the payment of compensation from the Fund for the Compensation of Victims of Crime to or for the benefit of victims of certain crimes or to certain other specified persons. (NRS 217.033, 217.160, 217.260) Section 3.3 of this bill additionally authorizes a compensation officer to order the payment of compensation to a county for the reimbursement of costs associated with conducting forensic medical examinations of victims of sexual assault that are paid by the county, in an amount equal to the cost of 10 forensic medical examinations or \$10,000, whichever is less, each fiscal year.

Section 3.7 of this bill makes an appropriation of \$3,000,000 to the Office of the Attorney General to be allocated pursuant to an interlocal agreement to a public entity for the purpose of making payments to forensic laboratories to reduce the backlog of sexual assault forensic evidence kits that have not been tested.

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

Section 1. Chapter 200 of NRS is hereby amended by adding thereto ~~to a new section to read as follows:~~ the provisions set forth as sections 1.3 and 1.7 of this act.

Sec. 1.3. 1. Except as otherwise provided in this subsection, a law enforcement agency shall, not later than 30 days after receiving a sexual assault forensic evidence kit, submit the sexual assault forensic evidence kit to the applicable forensic laboratory responsible for conducting a genetic marker analysis. The provisions of this subsection do not apply to any noninvestigatory sexual assault forensic evidence kit associated with a victim who ~~is~~

~~—(a) Has~~ has chosen to remain anonymous. ~~for~~

~~(b) Indicates that he or she is not a victim of sexual assault.~~

2. A forensic laboratory shall, not later than 120 days after receiving a sexual assault forensic evidence kit from a law enforcement agency, test the sexual assault forensic evidence kit. Upon completion of a genetic marker analysis, the forensic laboratory shall include the DNA profile obtained from the genetic marker analysis in the State DNA Database and CODIS.

3. Each forensic laboratory that receives a sexual assault forensic evidence kit from a law enforcement agency shall, on or before January 31 of each year, submit a report to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, if the Legislature is in session, or to the Legislative Commission, if the Legislature is not in session. If the Legislature is in session, the Director shall ensure that each member of the Assembly and Senate Standing Committees on Judiciary receives a copy of the report. The report must contain:

(a) With regard to any sexual assault forensic evidence kit received by the forensic laboratory before January 1, 2015:

(1) The total number of such sexual assault forensic evidence kits tested during the immediately preceding calendar year; and

(2) The total number of such sexual assault forensic evidence kits that have not been tested.

(b) With regard to any sexual assault forensic evidence kit received by the forensic laboratory on or after January 1, 2015:

(1) The total number of such sexual assault forensic evidence kits tested during the immediately preceding calendar year and, for each such sexual assault forensic evidence kit, the date on which:

(I) The forensic evidence was obtained from a forensic medical examination;

(II) The sexual assault forensic evidence kit was submitted to the forensic laboratory; and

(III) The DNA profile obtained from the genetic marker analysis was included in the State DNA Database and CODIS.

(2) The total number of such sexual assault forensic evidence kits that have not been tested and, for each such sexual assault forensic evidence kit, the date on which:

(I) The forensic evidence was obtained from a forensic medical examination; and

(II) The sexual assault forensic evidence kit was submitted to the forensic laboratory.

4. As used in this section:

(a) "CODIS" has the meaning ascribed to it in NRS 176.09113.

~~(b) "Forensic laboratory" has the meaning ascribed to it in NRS 176.09117.~~

~~(c) "Forensic medical examination" has the meaning ascribed to it in NRS 217.300.~~

~~(d) "Genetic marker analysis" has the meaning ascribed to it in NRS 176.00118.~~

~~(e) "Sexual assault forensic evidence kit" means the forensic evidence obtained from a forensic medical examination.~~

~~(f) "State DNA Database" has the meaning ascribed to it in NRS 176.09119.~~

~~(g) "Victim of sexual assault" has the meaning ascribed to it in NRS 217.280.~~

Sec. 1.7. 1. A statewide program to track sexual assault forensic evidence kits must be established in this State. The Attorney General shall, pursuant to the recommendation of the Sexual Assault Kit Working Group, designate a department or division of the Executive Department of State Government to establish the program. The designated department or division may contract with any appropriate public or private agency, organization or institution to carry out the provisions of this section.

2. The program to track sexual assault forensic evidence kits must:

(a) Track the location and status of sexual assault forensic evidence kits, including, without limitation, the initial forensic medical examination, receipt by a law enforcement agency and receipt and genetic marker analysis at a forensic laboratory.

(b) Allow providers of health care who perform forensic medical examinations, law enforcement agencies, prosecutors, forensic laboratories and any other entities having sexual assault forensic evidence kits in their custody to track the status and location of sexual assault forensic evidence kits.

(c) Allow a victim of sexual assault to anonymously track or receive updates regarding the status and location of his or her sexual assault forensic evidence kit.

3. The department or division designated pursuant to subsection 1 shall, on or before January 1 and July 1 of each year, submit to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Subcommittee to Review DNA of the Advisory Commission on the Administration of Justice and post on the Internet website maintained by the department or division a report concerning the statewide program to track sexual assault forensic evidence kits. The report must include:

(a) The number of sexual assault forensic evidence kits in the program in each county.

(b) The number of sexual assault forensic evidence kits for which genetic marker analysis has been completed for each county for the last 6 months.

(c) The number of sexual assault forensic evidence kits added to the program in each county during the last 6 months.

(d) The number of sexual assault forensic evidence kits for which genetic marker analysis has been requested but not completed for each county.

(e) For this State as a whole and each county, the average and median time between a forensic medical examination and receipt of a sexual assault

forensic evidence kit by a forensic laboratory for genetic marker analysis, overall and for the last 6 months.

(f) For this State as a whole and each county, the average and median time between receipt of a sexual assault forensic evidence kit by a forensic laboratory and genetic marker analysis, overall and for the last 6 months.

(g) The number of sexual assault forensic evidence kits in each county awaiting genetic marker analysis for more than 1 year and 6 months after forensic medical examination.

4. Each law enforcement agency, prosecutor, forensic laboratory and provider of health care who performs forensic medical examinations in this State shall participate in the statewide program to track sexual assault forensic evidence kits for the purpose of tracking the status of any sexual assault forensic evidence kits in the custody of the agency, prosecutor, laboratory or provider, or a third party under contract with such agency, prosecutor, laboratory or provider.

5. Any agency or person who acts pursuant to this section in good faith and without gross negligence is immune from civil liability for those acts.

6. The department or division designated pursuant to subsection 1 may apply for and accept any gift, donation, bequest, grant or other source of money to carry out the provisions of this section.

7. As used in this section, "Sexual Assault Kit Working Group" means the statewide working group led by the Office of the Attorney General to create policies and procedures to address the backlog of sexual assault forensic evidence kits that have not been tested.

Sec. 2. NRS 200.364 is hereby amended to read as follows:

200.364 As used in NRS 200.364 to 200.3784, inclusive, and section ~~44~~ 1.3 of this act, unless the context otherwise requires:

1. "Forensic laboratory" has the meaning ascribed to it in NRS 176.09117.

2. "Forensic medical examination" has the meaning ascribed to it in NRS 217.300.

3. "Genetic marker analysis" has the meaning ascribed to it in NRS 176.09118.

4. "Offense involving a pupil" means any of the following offenses:

(a) Sexual conduct between certain employees of a school or volunteers at a school and a pupil pursuant to NRS 201.540.

(b) Sexual conduct between certain employees of a college or university and a student pursuant to NRS 201.550.

~~2.~~ 5. "Perpetrator" means a person who commits a sexual offense, an offense involving a pupil or sex trafficking.

~~3.~~ 6. "Sex trafficking" means a violation of subsection 2 of NRS 201.300.

~~4.~~ 7. "Sexual assault forensic evidence kit" means the forensic evidence obtained from a forensic medical examination.

8. "Sexual offense" means any of the following offenses:

(a) Sexual assault pursuant to NRS 200.366.

(b) Statutory sexual seduction pursuant to NRS 200.368.

~~5.1~~ 9. "Sexual penetration" means cunnilingus, fellatio, or any intrusion, however slight, of any part of a person's body or any object manipulated or inserted by a person into the genital or anal openings of the body of another, including sexual intercourse in its ordinary meaning. The term does not include any such conduct for medical purposes.

~~6.1~~ 10. "Statutory sexual seduction" means ordinary sexual intercourse, anal intercourse or sexual penetration committed by a person 18 years of age or older with a person who is 14 or 15 years of age and who is at least 4 years younger than the perpetrator.

~~7.1~~ 11. "Victim" means a person who is a victim of a sexual offense, an offense involving a pupil or sex trafficking.

12. "Victim of sexual assault" has the meaning ascribed to it in NRS 217.280.

Sec. 2.5. NRS 200.364 is hereby amended to read as follows:

200.364 As used in NRS 200.364 to 200.3784, inclusive, and ~~[section]~~ sections 1.3 and 1.7 of this act, unless the context otherwise requires:

1. "Forensic laboratory" has the meaning ascribed to it in NRS 176.09117.

2. "Forensic medical examination" has the meaning ascribed to it in NRS 217.300.

3. "Genetic marker analysis" has the meaning ascribed to it in NRS 176.09118.

4. "Offense involving a pupil" means any of the following offenses:

(a) Sexual conduct between certain employees of a school or volunteers at a school and a pupil pursuant to NRS 201.540.

(b) Sexual conduct between certain employees of a college or university and a student pursuant to NRS 201.550.

5. "Perpetrator" means a person who commits a sexual offense, an offense involving a pupil or sex trafficking.

6. "Sex trafficking" means a violation of subsection 2 of NRS 201.300.

7. "Sexual assault forensic evidence kit" means the forensic evidence obtained from a forensic medical examination.

8. "Sexual offense" means any of the following offenses:

(a) Sexual assault pursuant to NRS 200.366.

(b) Statutory sexual seduction pursuant to NRS 200.368.

9. "Sexual penetration" means cunnilingus, fellatio, or any intrusion, however slight, of any part of a person's body or any object manipulated or inserted by a person into the genital or anal openings of the body of another, including sexual intercourse in its ordinary meaning. The term does not include any such conduct for medical purposes.

10. "Statutory sexual seduction" means ordinary sexual intercourse, anal intercourse or sexual penetration committed by a person 18 years of age or

older with a person who is 14 or 15 years of age and who is at least 4 years younger than the perpetrator.

11. "Victim" means a person who is a victim of a sexual offense, an offense involving a pupil or sex trafficking.

12. "Victim of sexual assault" has the meaning ascribed to it in NRS 217.280.

Sec. 3. (Deleted by amendment.)

Sec. 3.1. NRS 176.01246 is hereby amended to read as follows:

176.01246 1. There is hereby created the Subcommittee to Review ~~(Arrestee)~~ DNA of the Commission.

2. The Chair of the Commission shall appoint the members of the Subcommittee which must include, without limitation:

(a) A member experienced in defending criminal actions.

(b) A member of a minority community organization whose mission includes the protection of civil rights for minorities.

3. The Chair of the Commission shall designate one of the members of the Subcommittee as Chair of the Subcommittee.

4. The Subcommittee shall meet at the times and places specified by a call of the Chair. A majority of the members of the Subcommittee constitutes a quorum, and a quorum may exercise any power or authority conferred on the Subcommittee.

5. The Subcommittee shall consider issues relating to DNA ~~(of arrested persons)~~ and shall evaluate, review and submit a report to the Commission with recommendations concerning such issues. The issues considered by the Subcommittee and the report submitted by the Subcommittee must include, without limitation:

(a) The costs and procedures relating to the methods, implementation and utilization of the provisions for the destruction of biological specimens and purging of DNA profiles and DNA records of arrested persons; ~~and~~

(b) The collection and review of information concerning the number of requests for the destruction of biological specimens and purging of DNA profiles and DNA records of arrested persons and the number and percentage of such requests that are denied ~~()~~; and

(c) The submittal, storage and testing of sexual assault forensic evidence kits, including, without limitation, the review of any report required pursuant to section 1.7 of this act.

6. Any Legislators who are members of the Subcommittee are entitled to receive the salary provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day's attendance at a meeting of the Subcommittee.

7. While engaged in the business of the Subcommittee, to the extent of legislative appropriation, each member of the Subcommittee is entitled to receive the per diem allowance and travel expenses as provided for state officers and employees generally.

8. As used in this section:

(a) "Biological specimen" has the meaning ascribed to it in NRS 176.09112.

(b) "DNA" has the meaning ascribed to it in NRS 176.09114.

(c) "DNA profile" has the meaning ascribed to it in NRS 176.09115.

(d) "DNA record" has the meaning ascribed to it in NRS 176.09116.

(e) "Sexual assault forensic evidence kit" has the meaning ascribed to it in NRS 200.364.

Sec. 3.3. NRS 217.160 is hereby amended to read as follows:

217.160 1. The compensation officer may order the payment of compensation:

(a) To or for the benefit of the victim.

(b) If the victim has suffered personal injury, to any person responsible for the maintenance of the victim who has suffered pecuniary loss or incurred expenses as a result of the injury.

(c) If the victim dies, to or for the benefit of any one or more of the dependents of the victim.

(d) To a minor who is a member of the household or immediate family of a victim of a battery which constitutes domestic violence pursuant to NRS 33.018 who needs an assessment, a psychological evaluation or psychological counseling for emotional trauma suffered by the minor as a result of the battery.

(e) To a member of the victim's household or immediate family for psychological counseling for emotional trauma suffered by the member as a result of the crime of murder as defined in NRS 200.010.

(f) To a county in whose jurisdiction a sexual assault was committed for the reimbursement of costs associated with a forensic medical examination of a victim of sexual assault that are paid by the county pursuant to NRS 217.300. A county may be reimbursed pursuant to this paragraph in an amount equal to the cost of 10 forensic medical examinations or \$10,000, whichever is less, each fiscal year.

2. As used in this section:

(a) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(b) *"Forensic medical examination" has the meaning ascribed to it in NRS 217.300.*

(c) "Household" means an association of persons who live in the same home or dwelling and who:

(1) Have significant personal ties to the victim; or

(2) Are related by blood, adoption or marriage, within the first degree of consanguinity or affinity.

~~{(e)}~~ (d) "Immediate family" means persons who are related by blood, adoption or marriage, within the first degree of consanguinity or affinity.

(e) *"Victim of sexual assault" has the meaning ascribed to it in NRS 217.280.*

Sec. 3.7. There is hereby appropriated from the State General Fund to the Office of the Attorney General the sum of \$3,000,000 to be allocated pursuant to an interlocal agreement to a public entity for the purpose of making payments to forensic laboratories to reduce the backlog of sexual assault forensic evidence kits that have not been tested.

Sec. 4. 1. The amendatory provisions of:

(a) Subsections 1 and 2 of section ~~44~~ 1.3 of this act apply to any sexual assault forensic evidence kit received by a forensic laboratory from a law enforcement agency on or after October 1, 2017.

(b) Section 3.3 of this act apply to costs associated with a forensic medical examination of a victim of sexual assault that are paid by a county on or after October 1, 2017.

2. Each forensic laboratory shall, on or before January 31, 2018, submit its first report to the Legislative Commission.

3. As used in this section:

(a) "Forensic laboratory" has the meaning ascribed to it in NRS 176.09117.

(b) "Forensic medical examination" has the meaning ascribed to it in NRS 217.300.

(c) "Sexual assault forensic evidence kit" has the meaning ascribed to it in NRS 200.364, as amended by section ~~44~~ 2 of this act.

(d) "Victim of sexual assault" has the meaning ascribed to it in NRS 217.280.

Sec. 4.5. The department or division designated by the Attorney General pursuant to section 1.7 of this act to establish a statewide program to track sexual assault forensic evidence kits shall, on or before July 1, 2021, submit to the Governor and the Subcommittee to Review DNA of the Advisory Commission on the Administration of Justice created by NRS 176.01246, as amended by section 3.1 of this act, a report concerning the status of the program and a plan for launching the program, including a plan for phased implementation.

Sec. 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. 6. The provisions of NRS 354.599 do not apply to any additional expenses of a local government that are related to the provisions of this act.

Sec. 7. (Deleted by amendment.)

Sec. 8. 1. This section and sections 1, 1.3, 2, 3.3 to 4, inclusive, 5 and 6 of this act become effective on October 1, 2017.

2. Sections 1.7, 2.5, 3.1 and 4.5 of this bill become effective on January 1, 2021.

Senator Segerblom moved the adoption of the amendment.

Remarks by Senator Segerblom.

Amendment No. 1131 to Assembly Bill No. 97 requires the Attorney General to designate a department or division of the Executive Branch to establish a statewide sexual assault forensic

evidence (SAFE) kit tracking program and sets forth requirements related to the program; revises the name of the Subcommittee to Review Arrestee DNA to reflect expanded duties including evaluating and reviewing information relating to SAFE kit testing and tracking, and requires the Subcommittee to report to the Advisory Commission on the Administration of Justice on matters relating to the submittal, storage and testing of SAFE kits.

Amendment adopted.

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

Assembly Bill No. 486.

Bill read second time and ordered to third reading.

Assembly Bill No. 499.

Bill read second time and ordered to third reading.

Assembly Bill No. 434.

Bill read second time and ordered to third reading.

Senator Ford moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 3:17 p.m.

SENATE IN SESSION

At 9:55 p.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was re-referred Senate Bill No. 257, 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 Judiciary, to which was referred Assembly Bill No. 422, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

TICK SEGERBLOM, *Chair*

SECOND READING AND AMENDMENT

Assembly Bill No. 413.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1137.

SUMMARY—Makes various changes relating to electronic documents and electronic signatures. (BDR 12-597)

AN ACT relating to electronic documents; establishing provisions relating to electronic wills and trusts; revising provisions governing electronic notaries public; authorizing electronic notaries public to perform authorized electronic notarial acts remotely using audio-video communication;

establishing provisions concerning electronic documents relating to real property located in this State; authorizing the Secretary of State to require notaries public registering as electronic notaries public to complete an online course on electronic notarization; increasing the amount of the fees authorized to be charged by an electronic notary public for the performance of certain electronic notarial acts and authorizing the collection of a fee to recover certain costs; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes provisions relating to electronic wills. (NRS 132.119, 133.085, 136.185) Sections 10-17 of this bill establish various other provisions relating to electronic wills. Sections 8 and 19 of this bill revise the description of an electronic will and section 10 establishes the circumstances in which an electronic will is self-proving. Sections 11 and 12 establish the qualifications and duties of a qualified custodian of an electronic will, who is required to store electronic records of electronic wills in a system that protects electronic records from destruction, alteration or unauthorized access and detects any change to an electronic record. Sections 13 and 14 set forth the circumstances in which a qualified custodian is authorized to cease serving in such a capacity. Section 15 establishes provisions concerning affidavits relating to the creation of a certified paper original of an electronic will, which section 3 of this bill generally defines as a tangible document containing the text of an electronic will. Section 16 sets forth provisions relating to the ability of an electronic notary public or other notarial officer to perform certain notarial acts. Section 17 establishes various provisions for purposes relating to the execution and filing of any document with a court in any proceeding relating to an electronic will and for certain other purposes.

Section 18 of this bill establishes requirements relating to a declaration or affidavit of a witness to an electronic will. Section 20 of this bill provides the methods by which an electronic will may be revoked. Section 21 of this bill sets forth provisions relating to the jurisdiction in which an electronic will may be proved and the admittance of a certified paper original of an electronic will to probate.

Sections 23-28 of this bill revise provisions relating to trusts. Section 24 provides that a video recording or other electronic record may be admissible in court as evidence of certain issues relating to a trust, and section 28 revises the description of an electronic trust.

Existing law establishes the Electronic Notary Public Authorization Act pursuant to which an electronic notary public appointed by the Secretary of State is authorized to perform electronic notarial acts. (NRS 240.181-240.206) Section 39 of this bill renames the act as the Electronic Notarization Enabling Act and section 45 of this bill requires electronic notaries public to register with, instead of be appointed by, the Secretary of State. Section 35 of this bill: (1) authorizes an electronic notary public to perform authorized electronic notarial acts remotely using

audio-video communication, which section 30 of this bill generally defines as communication by which a person is able to see, hear and communicate with another person in real time using electronic means; and (2) sets forth certain requirements relating to such electronic notarial acts. Section 36 of this bill authorizes an electronic notary public to perform an electronic notarial act using audio-video communication for a person located: (1) in this State; (2) outside this State but within the United States; or (3) in certain circumstances, outside the United States.

Section 37 of this bill requires an electronic notary public to arrange for a recording to be made of each electronic notarial act performed using audio-video communication and to give all participating persons advance notice of the recording. Section 37 also requires the recording to be kept for not less than 7 years. Section 51 of this bill requires an electronic notary public to keep an electronic journal of each notarial act which he or she performs and to maintain and protect the electronic journal at all times. Section 51 also provides that, except as otherwise provided by law, an electronic notary public is required to keep all required notarial records for a period of 7 years after the termination of the registration of the electronic notary public.

Section 38 of this bill establishes provisions relating to the confirmation of the identity of a person for whom an electronic notarial act is performed using audio-video communication. Section 50 of this bill requires an electronic notary public to render an electronic document that is the subject of an electronic notarial act tamper-evident.

Section 38.3 of this bill establishes provisions concerning electronic documents relating to real property located in this State.

Section 46.5 of this bill authorizes the Secretary of State to require a notary public who registers with the Secretary of State as an electronic notary public to complete an online course of study on electronic notarization. Section 38.7 of this bill establishes provisions relating to the completion of such a course of study.

Section 48 of this bill increases the amount of fees which an electronic notary public may charge for performing certain electronic notarial acts and authorizes an electronic notary public to charge a reasonable fee to recover any cost of providing a copy of an entry or a recording of an audio-video communication in the electronic journal maintained by the electronic notary public. Section 48 also prohibits an electronic notary public who is an officer or employee of the State or a local government from charging a fee for an electronic notarial act that the electronic notary public performs within the scope of such employment.

Sections 56-60 of this bill delete certain provisions of Assembly Bill No. 476 of this session that are replaced with the provisions of sections 45, 46, 46.5, 51 and 52 of this bill, and section 61 of this bill provides that the provisions of this bill are intended to supersede any provisions of Assembly Bill No. 476 that conflict with the provisions of this bill.

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

Section 1. Chapter 132 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. *Except as otherwise specifically provided in this title, the provisions of this title must be construed in a manner consistent with the provisions of chapter 719 of NRS.*

Sec. 3. *"Certified paper original" means a tangible document that contains the text of an electronic will and, if applicable, a self-proving affidavit concerning the electronic will.*

Sec. 4. *"Electronic notary public" has the meaning ascribed to it in NRS 240.186.*

Sec. 5. *"Qualified custodian" means a person who meets the requirements of section 11 of this act.*

Sec. 6. NRS 132.025 is hereby amended to read as follows:

132.025 As used in this title, unless the context otherwise requires, the words and terms defined in NRS 132.030 to 132.370, inclusive, and sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.

Sec. 7. NRS 132.117 is hereby amended to read as follows:

132.117 "Electronic record" means a record created, generated, sent, communicated, received or stored by electronic means.

Sec. 8. NRS 132.119 is hereby amended to read as follows:

132.119 "Electronic will" means ~~an instrument, including, without limitation, a codicil, that is executed by a person in accordance with the requirements of NRS 133.085 and which disposes of the property of the person upon or after his or her death.~~ ~~an instrument, including, without limitation, a codicil, that is executed by a person in accordance with the requirements of NRS 133.085 and which disposes of the property of the person upon or after his or her death.~~

Sec. 9. Chapter 133 of NRS is hereby amended by adding thereto the provisions set forth as sections 10 to 17, inclusive, of this act.

Sec. 10. 1. *An electronic will is self-proving if:*

(a) *The declarations or affidavits of the attesting witnesses are incorporated as part of, attached to or logically associated with the electronic will, as described in NRS 133.050;*

(b) *The electronic will designates a qualified custodian to maintain custody of the electronic record of the electronic will; and*

(c) *Before being offered for probate or being reduced to a certified paper original that is offered for probate, the electronic will was at all times under the custody of a qualified custodian.*

2. *A declaration or affidavit of an attesting witness made pursuant to NRS 133.050 and an affidavit of a person made pursuant to section 15 of this act must be accepted by a court as if made before the court.*

Sec. 11. A qualified custodian of an electronic will:

1. *Must not be an heir of the testator or a beneficiary or devisee under the electronic will.*

2. Shall consistently employ, and store electronic records of electronic wills in, a system that protects electronic records from destruction, alteration or unauthorized access and detects any change to an electronic record.

3. Shall store in the electronic record of an electronic will each of the following:

(a) A photograph or other visual record of the testator and the attesting witnesses that was taken contemporaneously with the execution of the electronic will;

(b) A photocopy, photograph, facsimile or other visual record of any documentation that was taken contemporaneously with the execution of the electronic will and provides satisfactory evidence of the identities of the testator and the attesting witnesses, including, without limitation, documentation of the methods of identification used pursuant to subsection 4 of NRS 240.1655; and

(c) An audio and video recording of the testator, attesting witnesses and notary public, as applicable, taken at the time the testator, each attesting witness and notary public, as applicable, placed his or her electronic signature on the electronic will, as required pursuant to paragraph (b) of subsection 1 of NRS 133.085.

4. Shall provide to any court that is hearing a matter involving an electronic will which is currently or was previously stored by the qualified custodian any information requested by the court pertaining to the qualifications of the qualified custodian and the policies and practices of the qualified custodian concerning the maintenance, storage and production of electronic wills.

Sec. 12. 1. With regard to an electronic record of an electronic will, a qualified custodian:

(a) Shall provide access to or information concerning the electronic will or the certified paper original of the electronic will only to:

(1) The testator or another person as directed by the written instructions of the testator; and

(2) After the death of the testator, the nominated personal representative of the testator or any interested person; and

(b) May, in the absolute discretion of the qualified custodian, destroy the electronic record at any time:

(1) Five or more years after the admission of any will of the testator to probate;

(2) Five or more years after the revocation of the electronic will;

(3) Five or more years after ceasing to serve as the qualified custodian of the electronic record of the electronic will pursuant to section 13 of this act;

(4) Ten or more years after the death of the testator; or

(5) One hundred and fifty years after the execution of the electronic will.

2. *At the direction of a testator in a writing executed with the same formalities required for the execution of an electronic will, a qualified custodian shall cancel, render unreadable or obliterate the electronic record.*

Sec. 13. 1. *A qualified custodian may cease serving in such a capacity by:*

(a) If not designating a successor qualified custodian, providing to the testator:

(1) Thirty days' written notice that the qualified custodian has decided to cease serving in such a capacity; and

(2) The certified paper original of, and all records concerning, the electronic will.

(b) If designating a successor qualified custodian:

(1) Providing 30 days' written notice that the qualified custodian has decided to cease serving in such a capacity to:

(I) The testator; and

(II) The designated successor qualified custodian; and

(2) Providing to the successor qualified custodian the electronic record of the electronic will and an affidavit which states:

(I) That the qualified custodian ceasing to act in such a capacity is eligible to act as a qualified custodian in this State and is the qualified custodian designated by the testator in the electronic will or was designated to act in such a capacity by another qualified custodian pursuant to this paragraph;

(II) That an electronic record was created at the time the testator executed the electronic will;

(III) That the electronic record has been in the custody of one or more qualified custodians since the execution of the electronic will and has not been altered since the time it was created; and

(IV) The identity of all qualified custodians who have had custody of the electronic record since the execution of the electronic will.

2. *For purposes of making the affidavit pursuant to subparagraph (2) of paragraph (b) of subsection 1, a qualified custodian is entitled to rely conclusively on any affidavits provided by a predecessor qualified custodian if all such affidavits are provided to the successor qualified custodian.*

3. *Subject to the provisions of section 14 of this act, if the testator designates a successor qualified custodian in a writing executed with the same formalities required for the execution of an electronic will, a qualified custodian shall cease serving in such a capacity and provide to the designated successor qualified custodian:*

(a) The electronic record; and

(b) The affidavit described in subparagraph (2) of paragraph (b) of subsection 1.

4. *If a qualified custodian is an entity, an affidavit of a duly authorized officer or agent of such entity constitutes the affidavit of the qualified custodian.*

Sec. 14. 1. A person must execute a written statement affirmatively agreeing to serve as the qualified custodian of an electronic will before he or she may serve in such a capacity.

2. Except as otherwise provided in paragraph (a) of subsection 1 of section 13 of this act, a qualified custodian may not cease serving in such a capacity until a successor qualified custodian executes the written statement required by subsection 1.

Sec. 15. 1. Upon the creation of a certified paper original of an electronic will:

(a) If the electronic will has always been in the custody of a qualified custodian, the qualified custodian shall state in an affidavit:

(1) That the qualified custodian is eligible to act as a qualified custodian in this State;

(2) That the qualified custodian is the qualified custodian designated by the testator in the electronic will or was designated to act in such a capacity pursuant to paragraph (b) of subsection 1 of section 13 of this act;

(3) That an electronic record was created at the time the testator executed the electronic will;

(4) That the electronic record has been in the custody of one or more qualified custodians since the execution of the electronic will, and has not been altered since the time it was created;

(5) The identity of all qualified custodians who have had custody of the electronic record since the execution of the electronic will;

(6) That the certified paper original is a true, correct and complete tangible manifestation of the electronic will; and

(7) That the records described in subsection 3 of section 11 of this act are in the custody of the qualified custodian.

(b) If the electronic will has not always been under the custody of a qualified custodian, the person who discovered the electronic will and the person who reduced the electronic will to the certified paper original shall each state in an affidavit the following information, to the best of their knowledge:

(1) When the electronic will was created, if not indicated in the electronic will;

(2) When, how and by whom the electronic will was discovered;

(3) The identities of each person who has had access to the electronic will;

(4) The method in which the electronic will was stored and the safeguards in place to prevent alterations to the electronic will;

(5) Whether the electronic will has been altered since its execution; and

(6) That the certified paper original is a true, correct and complete tangible manifestation of the electronic will.

2. For purposes of making an affidavit pursuant to paragraph (a) of subsection 1, the qualified custodian may rely conclusively on any affidavits delivered by a predecessor qualified custodian.

Sec. 16. 1. *Notwithstanding any other provision of law, an electronic notary public or other notarial officer may, for purposes of this title, including, without limitation, all purposes relating to the execution and filing of any document with the court in any proceeding relating to an electronic will:*

(a) Notarize the signature or electronic signature of a person, as applicable, who is not in the physical presence of the electronic notary public or other notarial officer if the person is in his or her presence within the meaning of section 17 of this act; and

(b) Notarize any document relating to a will, codicil or testamentary trust.

2. *This section must be liberally construed and applied to promote the purposes of NRS 133.085 and sections 10 to 17, inclusive, of this act.*

Sec. 17. 1. *For purposes of this title, including, without limitation, any declaration or affidavit made by an attesting witness as described in NRS 133.050, for all purposes relating to the execution and filing of any document with the court in any proceeding relating to an electronic will and for purposes of executing a power of attorney pursuant to NRS 162A.220, an advance directive or any document relating to an advance directive:*

(a) A person shall be deemed to be in the presence of or appearing before another person if such persons are in:

(1) The same physical location; or

(2) Different physical locations but can communicate with each other by means of audio-video communication.

(b) An electronic notary public may electronically notarize electronic documents, including, without limitation, documents constituting or relating to an electronic will, in accordance with NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act.

(c) Any requirement that a document be signed may be satisfied by an electronic signature.

(d) If a provision of law requires a written record, an electronic record satisfies such a provision.

(e) Except as otherwise provided in subparagraph (3), regardless of the physical location of the person executing a document or of any witness, if a document is executed electronically, the document shall be deemed to be executed in this State and will be governed by the laws of this State and subject to the jurisdiction of the courts of this State if:

(1) The person executing the document states that he or she understands that he or she is executing, and that he or she intends to execute, the document in and pursuant to the laws of this State;

(2) The document states that the validity and effect of its execution are governed by the laws of this State;

(3) Any attesting witnesses or an electronic notary public whose electronic signatures are contained in the document were physically located within this State at the time the document was executed in accordance with this section; or

(4) *In the case of a self-proving electronic will, the electronic will designates a qualified custodian who, at the time of execution:*

(I) If a natural person, is domiciled in this State; or

(II) If an entity, is organized under the laws of this State or whose principal place of business is located in this State.

2. *Notwithstanding the provisions of subsection 1, the validity of a notarial act performed by an electronic notary public must be determined by applying the laws of the jurisdiction in which the electronic notary public is commissioned or appointed.*

3. *As used in this section:*

(a) "Advance directive" has the meaning ascribed to it in NRS 449.905.

(b) "Audio-video communication" means communication by which a person is able to see, hear and communicate with another person in real time using electronic means. ~~[and that meets any rules or regulations adopted by the Secretary of State.]~~

Sec. 18. NRS 133.050 is hereby amended to read as follows:

133.050 1. Any attesting witness to a will , *including, without limitation, an electronic will*, may sign a declaration under penalty of perjury or an affidavit before any person authorized to administer oaths in or out of the State, stating such facts as the witness would be required to testify to in court to prove the will. The declaration or affidavit must be written on the will or, if that is impracticable, on some paper attached thereto. *If the will is an electronic will, the declaration or affidavit must be in a record incorporated as part of, attached to or logically associated with the electronic will.* The sworn statement of any witness so taken must be accepted by the court as if it had been taken before the court.

2. The affidavit described in subsection 1 may be in substantially the following form:

State of Nevada }
 }ss.
County of..... }
 (Date).....

Then and there personally appeared and, who, being duly sworn, depose and say: That they witnessed the execution of the foregoing will of the testator, ...; that the testator subscribed the will and declared it to be his or her last will and testament in their presence; that they thereafter subscribed the will as witnesses in the presence of the testator and in the presence of each other and at the request of the testator; and that the testator at the time of the execution of the will appeared to them to be of full age and of sound mind and memory.

.....
Affiant

.....
Affiant

Subscribed and sworn to before me
this ... day of the month of ... of the year ...

.....

Notary Public

3. The declaration described in subsection 1 may be in substantially the following form:

Under penalty of perjury pursuant to the law of the State of Nevada, the undersigned, ... and, declare that the following is true of their own knowledge: That they witnessed the execution of the foregoing will of the testator, ...; that the testator subscribed the will and declared it to be his or her last will and testament in their presence; that they thereafter subscribed the will as witnesses in the presence of the testator and in the presence of each other and at the request of the testator; and that the testator at the time of the execution of the will appeared to them to be of full age and of sound mind and memory.

Dated this day of, ...

.....Declarant

.....Declarant

4. *If a testator or a witness signing an affidavit or declaration described in subsection 1 appears by means of audio-video communication, the form for the affidavit or declaration, as set forth in subsections 2 and 3, respectively, must be modified to indicate that fact.*

5. As used in this section, "audio-video communication" has the meaning ascribed to it in section 17 of this act.

Sec. 19. NRS 133.085 is hereby amended to read as follows:

133.085 1. An electronic will is a will of a testator that:

(a) Is ~~{written,}~~ created and ~~{stored}~~ maintained in an electronic record; and

(b) Contains the date and the electronic signature of the testator and which includes, without limitation, at least one *of the following*:

(1) An authentication characteristic of the testator; ~~and~~

~~—(c) Is created and stored in such a manner that:~~

~~—(1) Only one authoritative copy exists;}~~

(2) The ~~{authoritative copy is maintained and controlled by the testator or a custodian designated by the testator in the}~~ electronic ~~{will,}~~ signature and electronic seal of an electronic notary public, placed thereon in the presence of the testator and in whose presence the testator placed his or her electronic signature thereon; or

(3) ~~{Any attempted alteration of the authoritative copy is readily identifiable; and~~

~~—(4) Each copy of the authoritative copy is readily identifiable as a copy that is not the authoritative copy.}~~ The electronic signatures of two or more attesting witnesses, placed thereon in the presence of the testator and in whose presence the testator placed his or her electronic signature thereon.

2. Every person of sound mind over the age of 18 years may, by last electronic will, dispose of all of his or her estate, real and personal, but the estate is chargeable with the payment of the testator's debts.

3. ~~[An electronic will that meets the requirements of this section is subject to no other form, and may be made in or out of this State. An electronic will is valid and has the same force and effect as if formally executed.~~

~~—4. An electronic will shall be deemed to be executed in this State if the authoritative copy of the electronic will is:~~

~~—(a) Transmitted to and maintained by a custodian designated in the electronic will at the custodian's place of business in this State or at the custodian's residence in this State; or~~

~~—(b) Maintained by the testator at the testator's place of business in this State or at the testator's residence in this State.~~

~~—5.] Except as otherwise provided in this section and sections 10 to 17, inclusive, of this act, all questions relating to the force, effect, validity and interpretation of an electronic will that complies with the provisions of this section and sections 10 to 17, inclusive, of this act must be determined in the same manner as a will executed in accordance with NRS 133.040.~~

4. The provisions of this section do not apply to a trust other than a trust contained in an electronic will.

~~{6.}~~ 5. As used in this section:

(a) "Authentication characteristic" means a characteristic of a certain person that is unique to that person and that is capable of measurement and recognition in an electronic record as a biological aspect of or physical act performed by that person. Such a characteristic may consist of a fingerprint, a retinal scan, voice recognition, facial recognition, *video recording*, a digitized signature or other *commercially reasonable* authentication using a unique characteristic of the person.

(b) ~~["Authoritative copy" means the original, unique, identifiable and unalterable electronic record of an electronic will.~~

~~—(c)]~~ "Digitized signature" means a graphical image of a handwritten signature that is created, generated or stored by electronic means.

(c) *"Electronic seal" has the meaning ascribed to it in NRS 240.187.*

Sec. 20. NRS 133.120 is hereby amended to read as follows:

133.120 1. A written will *other than an electronic will* may only be revoked by:

(a) Burning, tearing, cancelling or obliterating the will, with the intention of revoking it, by the testator, or by some person in the presence and at the direction of the testator; ~~{or}~~

(b) Another will or codicil in writing, executed as prescribed in this chapter ~~{-}~~; or

(c) *An electronic will, executed as prescribed in this chapter.*

2. *An electronic will may only be revoked by:*

(a) Another will, codicil, electronic will or other writing, executed as prescribed in this chapter; or

(b) Cancelling, rendering unreadable or obliterating the will with the intention of revoking it, by:

(1) The testator or a person in the presence and at the direction of the testator; or

(2) If the will is in the custody of a qualified custodian, the qualified custodian at the direction of a testator in an electronic will.

3. This section does not prevent the revocation implied by law from subsequent changes in the condition or circumstances of the testator.

Sec. 21. NRS 136.185 is hereby amended to read as follows:

136.185 1. An electronic will *executed or deemed to be executed in or pursuant to the laws of this State* may be proved ~~[by authentication satisfactory to the court.]~~ and letters granted in the county in which the decedent was a resident at the time of his or her death or the domicile or registered office of the qualified custodian exists.

2. A certified paper original of an electronic will may be offered for and admitted to probate in the same manner as if it were a will executed in accordance with NRS 133.040.

3. A certified paper original of an electronic will that is self-proving pursuant to section 10 of this act is presumed to be valid and, absent any objection, must be admitted to probate expeditiously without requiring any further proof of validity.

4. An electronic will that is executed or deemed to be executed in or pursuant to the laws of another state in accordance with the laws of the other state or of this State is a valid electronic will in this State.

Sec. 22. Chapter 163 of NRS is hereby amended by adding thereto the provisions set forth as sections 23 and 24 of this act.

Sec. 23. As used in this chapter, unless the context otherwise requires, when the terms "execute" or "sign" are used in reference to a will, trust or instrument to convey property, the terms include the use of an electronic signature.

Sec. 24. Subject to the provisions of any applicable court rules, a video recording or other electronic record may be admissible as evidence of:

1. The proper execution of a trust.

2. The intentions of a settlor.

3. The mental state or capacity of a settlor.

4. The authenticity of a trust.

5. Matters that are determined by a court to be relevant to the administration of a trust.

Sec. 25. NRS 163.0016 is hereby amended to read as follows:

163.0016 "Nontestamentary trust" means a trust , *including, without limitation, an electronic trust*, that is created and takes effect during the lifetime of the settlor.

Sec. 26. NRS 163.0018 is hereby amended to read as follows:

163.0018 "Testamentary trust" means a trust that is created by the terms of the will , *including, without limitation, the electronic will*, of a person.

Sec. 27. NRS 163.00185 is hereby amended to read as follows:

163.00185 "Trust instrument" means a will, trust agreement, declaration, or other instrument , *including, without limitation, an electronic trust*, that creates or defines the duties and powers of a trustee and shall include a court order or any instrument that modifies a trust instrument or, in effect, alters the duties and powers of a trustee or other terms of a trust instrument.

Sec. 28. NRS 163.0095 is hereby amended to read as follows:

163.0095 1. An electronic trust is a trust instrument that:

(a) Is ~~{written,}~~ created and ~~{stored}~~ *maintained* in an electronic record ~~{;}~~ *in such a manner that any alteration thereto is detectable;*

(b) Contains the electronic signature of the settlor ~~{;}~~ *and the date and time thereof;*

(c) *Includes, without limitation, an authentication method which is attached to or logically associated with the trust instrument to identify the settlor or is electronically notarized in accordance with all applicable provisions of law;*

(d) *Is subject to the provisions of chapter 719 of NRS; and*

(e) Meets the requirements set forth in this chapter for a valid trust.

2. ~~{An}~~ *Regardless of the physical location of the settlor, an electronic trust shall be deemed to be executed in this State and will be governed by the laws of this State and subject to the jurisdiction of the courts of this State if the electronic trust is:*

(a) Transmitted to and maintained by a custodian designated in the trust instrument at the custodian's place of business in this State or at the custodian's residence in this State; or

(b) Maintained by the settlor at the settlor's place of business in this State or at the settlor's residence in this State, or by the trustee at the trustee's place of business in this State or at the trustee's residence in this State.

3. *Notwithstanding the provisions of subsection 2, the validity of a notarial act performed by an electronic notary public must be determined by applying the laws of the jurisdiction in which the electronic notary public is commissioned or appointed.*

4. The provisions of this section do not apply to a testamentary trust.

5. *As used in this section:*

(a) *"Authentication characteristic" has the meaning ascribed to it in NRS 133.085.*

(b) *"Authentication method" means a method of identification using any applicable method authorized or required by law, including, without limitation, a digital certificate using a public key or a physical device, including, without limitation, a smart card, flash drive or other type of token, an authentication characteristic or another commercially reasonable method.*

(c) "Public key" has the meaning ascribed to it in NRS 720.110.

Sec. 29. Chapter 240 of NRS is hereby amended by adding thereto the provisions set forth as sections 30 to 38.7, inclusive, of this act.

Sec. 30. "Audio-video communication" means communication by which a person is able to see, hear and communicate with another person in real time using electronic means ~~, and that meets any rules or regulations adopted by the Secretary of State.~~

Sec. 31. "Credential" means a tangible record evidencing the identity of a person.

Sec. 32. "Dynamic knowledge-based authentication assessment" means an identity assessment that is based on a set of questions formulated from public or private data sources for which the person taking the assessment has not previously provided an answer and that meets any rules or regulations adopted by the Secretary of State.

Sec. 33. "Electronic" means of or relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

Sec. 34. "In the presence of" or "appear before" means being:

1. In the same physical location as another person and close enough to see, hear, communicate with and exchange credentials with that person; or

2. In a different physical location from another person but able to see, hear and communicate with the person by means of audio-video communication that meets any rules or regulations adopted by the Secretary of State.

Sec. 35. 1. An electronic notary public may perform any of the acts set forth in NRS 240.196 using audio-video communication in accordance with NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act and any rules or regulations adopted by the Secretary of State.

2. Before an electronic notary public performs electronic notarial acts using audio-video communication, he or she must register with the Secretary of State pursuant to NRS 240.192 and identify the technology that the electronic notary public intends to use, which must conform to any rules or regulations adopted by the Secretary of State.

3. If an electronic notarial act is performed using audio-video communication:

(a) The technology used must allow the persons communicating to see and speak to each other simultaneously;

(b) The signal transmission must be in real time; and

(c) The electronic notarial act must be recorded in accordance with section 37 of this act.

Sec. 36. 1. An electronic notary public may perform an electronic notarial act using audio-video communication in accordance with NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act and any rules or regulations adopted by the Secretary of State for a person who is physically located:

- (a) In this State;
- (b) Outside this State but within the United States; or
- (c) Outside the United States if:

(1) The electronic notary public has no actual knowledge of the electronic notarial act being prohibited in the jurisdiction in which the person is physically located; and

(2) The person placing his or her electronic signature on the electronic document confirms to the electronic notary public that the requested electronic notarial act and the electronic document:

(I) Are part of or pertain to a matter that is to be filed with or is currently before a court, governmental entity or other entity in the United States;

(II) Relate to property located in the United States; or

(III) Relate to a transaction substantially connected to the United States.

2. An electronic notary public who is registered with the Secretary of State pursuant to NRS 240.192 may perform an electronic notarial act using audio-video communication in accordance with NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act and any rules or regulations adopted by the Secretary of State if the electronic notary public is physically present in this State at the time of performing the electronic notarial act, regardless of whether the person who placed the electronic signature on the electronic document is physically located in another jurisdiction at the time of the electronic notarial act. The validity of the notarial act will be determined by applying the laws of this State.

Sec. 37. 1. An electronic notary public shall arrange for a recording to be made of each electronic notarial act performed using audio-video communication. Before performing any electronic notarial act using audio-video communication, the electronic notary public must inform all participating persons that the electronic notarization will be electronically recorded.

2. If the person for whom the electronic notarial act is being performed is identified by personal knowledge, the recording of the electronic notarial act must include an explanation by the electronic notary public as to how he or she knows the person and how long he or she has known the person.

3. If the person for whom the electronic notarial act is being performed is identified by a credible witness:

(a) The credible witness must appear before the electronic notary public; and

(b) The recording of the electronic notarial act must include:

(1) A statement by the electronic notary public as to whether he or she identified the credible witness by personal knowledge or satisfactory evidence; and

(2) An explanation by the credible witness as to how he or she knows the person for whom the electronic notarial act is being performed and how long he or she has known the person.

4. An electronic notary public shall keep a recording made pursuant to this section for a period of not less than 7 years, regardless of whether the electronic notarial act was actually completed.

Sec. 38. 1. For the purposes of performing an electronic notarial act for a person using audio-video communication, an electronic notary public has satisfactory or documentary evidence of the identity of the person if the electronic notary public confirms the identity of the person by:

(a) Personal knowledge;

(b) Each of the following:

(1) Remote presentation by the person of a government-issued identification credential that contains a photograph and the signature of the person;

(2) Credential analysis of the government-issued identification credential and the data thereon; and

(3) A dynamic knowledge-based authentication assessment; ~~and~~

~~—(4)—~~ (c) Any other method that complies with any rules or regulations adopted by the Secretary of State; or

~~—(e)—~~ (d) A valid certificate that complies with any rules or regulations adopted by the Secretary of State.

2. As used in this section:

(a) "Certificate" has the meaning ascribed to it in NRS 720.030.

(b) "Credential analysis" means a process or service that complies with any rules or regulations adopted by the Secretary of State through which a third party affirms the validity of a government-issued identification credential or any data thereon through the review of data sources.

(c) "Remote presentation" means the transmission of a quality image of a government-issued identification credential to an electronic notary public through communication technology for the purpose of enabling the electronic notary public to identify the person appearing before the electronic notary public and to perform a credential analysis.

Sec. 38.3. 1. If an electronic document relating to real property located in this State contains an electronic acknowledgment, notwithstanding any omission or error in the certificate of acknowledgment or failure of the document to show an acknowledgment in compliance with applicable law, upon the document being recorded with the county recorder of the county in which the real property is located or filed with the Secretary of State:

(a) The electronic document shall be deemed to be lawfully recorded or filed; and

(b) All persons, including, without limitation, any creditor, encumbrancer, mortgagee, subsequent purchaser for valuable consideration or any other subsequent transferee thereof or of any interest therein, are deemed to have notice of its contents.

2. *For the purposes of this section, a document is deemed to comply with all applicable requirements upon the acceptance for recording by the county recorder of the county in which the real property is located or the filing of the document with the Secretary of State, as required by law.*

Sec. 38.7. 1. *Except as otherwise provided in this section, a notary public who registers with the Secretary of State as an electronic notary public pursuant to NRS 240.192 for the first time must successfully complete any required course of study on electronic notarization required pursuant to NRS 240.195 before filing such registration with the Secretary of State.*

2. *A notary public may register with the Secretary of State as an electronic notary public pursuant to NRS 240.192 and thereafter perform the functions of an electronic notary public pursuant to this chapter without completing any course of study on electronic notarization required pursuant to NRS 240.195 if, at the time of registration, the course of study is not yet offered by the Secretary of State or a vendor approved by the Secretary of State.*

3. *If a notary public registers and performs the functions of an electronic notary public without first completing any required course of study on electronic notarization pursuant to subsection 2, he or she must complete the required course of study and pass any required examination within 120 days after the course of study is first offered by the Secretary of State or a vendor approved by the Secretary of State. The registrant shall thereafter complete any required course of study in accordance with paragraph (b) or (c) of subsection 3 of NRS 240.195, as applicable.*

Sec. 39. NRS 240.181 is hereby amended to read as follows:

240.181 NRS 240.181 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act* may be cited as the Electronic ~~[Notary Public Authorization]~~ Notarization Enabling Act.

Sec. 40. NRS 240.182 is hereby amended to read as follows:

240.182 As used in NRS 240.181 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act*, unless the context otherwise requires, the words and terms defined in NRS 240.183 to 240.188, inclusive, *and sections 30 to 34, inclusive, of this act* have the meanings ascribed to them in those sections.

Sec. 40.5. NRS 240.185 is hereby amended to read as follows:

240.185 "Electronic notarial act" means an act that an electronic notary public of this State is authorized to perform. The term includes:

1. Taking an acknowledgment;
2. Administering an oath or affirmation;
3. Executing a jurat; ~~and~~
4. *Certifying a true and correct copy; and*
5. Performing such other duties as may be prescribed by a specific statute.

Sec. 41. NRS 240.186 is hereby amended to read as follows:

240.186 "Electronic notary public" means a person ~~appointed by~~

registered with the Secretary of State pursuant to NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act to perform electronic notarial acts.

Sec. 42. NRS 240.187 is hereby amended to read as follows:

240.187 "Electronic seal" means information within a notarized electronic document that includes the name, jurisdiction and expiration date of the ~~[appointment]~~ registration of an electronic notary public and generally includes the information required to be set forth in a mechanical stamp pursuant to NRS 240.040.

Sec. 43. NRS 240.189 is hereby amended to read as follows:

240.189 An electronic notary public shall comply with those provisions of NRS 240.001 to 240.169, inclusive, which are not inconsistent with NRS 240.181 to 240.206, inclusive ~~[,]~~, and sections 30 to 38.7, inclusive, of this act. To the extent that the provisions of NRS 240.001 to 240.169, inclusive, conflict with the provisions of NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act, the provisions of NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of this act control.

Sec. 44. NRS 240.191 is hereby amended to read as follows:

240.191 1. ~~[The Secretary of State may appoint electronic notaries public in this State.~~

~~—2.— The Secretary of State shall not appoint as an electronic notary public a person who submits an application containing a substantial and material misstatement or omission of fact.~~

~~—3.— An electronic notary public may cancel his or her appointment by submitting a written notice to the Secretary of State.~~

~~—4.— It is unlawful for a person to:~~

(a) Represent himself or herself as an electronic notary public ~~[appointed pursuant to this section]~~ if the person has not ~~[received a certificate of appointment from]~~ registered with the Secretary of State pursuant to NRS 240.192.

(b) Submit ~~[an application for appointment]~~ a registration as an electronic notary public that contains a substantial and material misstatement or omission of fact.

~~[5.]~~ 2. The Secretary of State may request that the Attorney General bring an action to enjoin any violation of paragraph (a) of subsection ~~[4.]~~ 1.

Sec. 45. NRS 240.192 is hereby amended to read as follows:

240.192 1. Each person ~~[applying for appointment]~~ registering as an electronic notary public must:

(a) At the time of ~~[application,]~~ registration, be a notarial officer in this State ~~[and]~~ who has complied with the requirements pertaining to taking an oath and filing a bond set forth in NRS 240.030 and 240.033, have been a notarial officer in this State for not less than 4 years ~~[,]~~ and have complied with all applicable notarial requirements set forth in this chapter;

(b) ~~[Submit to]~~ Register with the Secretary of State by submitting an electronic ~~[application]~~ registration pursuant to subsection 2;

(c) Pay to the Secretary of State ~~{an application}~~ a registration fee of \$50 ~~{}~~, which is in addition to the application fee required pursuant to NRS 240.030 to be a notarial officer in this State; and

(d) ~~{Take and subscribe to the oath set forth in Section 2 of Article 15 of the Constitution of the State of Nevada as if the applicant were a public officer;}~~

~~—(e)}~~ Submit to the Secretary of State with the registration proof satisfactory to the Secretary of State that the ~~{applicant}~~ registrant has ~~{successfully}~~ :

(1) Successfully completed ~~{a}~~ any required course of study on electronic notarization provided pursuant to NRS 240.195; and

~~{(f) Enter into a bond to the State of Nevada in the sum of \$10,000, to be filed with the clerk of the county in which the applicant resides or, if the applicant is a resident of an adjoining state, with the clerk of the county in this State in which the applicant maintains a place of business or is employed. The applicant must submit to the Secretary of State a certificate issued by the appropriate county clerk which indicates that the applicant filed the bond required pursuant to this paragraph.}~~

(2) Complied with the requirements pertaining to taking an oath and filing a bond set forth in NRS 240.030 and 240.033.

2. ~~{The application for an appointment}~~ Unless the Secretary of State establishes a different process for submitting a registration as an electronic notary public, the registration as an electronic notary public must be submitted as an electronic document by electronic mail to ~~{the}~~ nvnotary@sos.nv.gov or, if another electronic mail address is designated by the Secretary of State, to such other designated electronic mail address. and must contain, without limitation, the following information:

(a) ~~{The applicant's full legal name, and the name to be used for appointment, if different.}~~ All information required to be included in an application for appointment as a notary public pursuant to NRS 240.030.

(b) ~~{The county in which the applicant resides.}~~

~~—(c) The electronic mail address of the applicant.}~~

~~—(d)}~~ A description of the technology or device ~~{, approved by the Secretary of State,}~~ that the ~~{applicant}~~ registrant intends to use to create his or her electronic signature in performing electronic notarial acts.

~~{(e)}~~ (c) The electronic signature of the ~~{applicant}~~.

~~—(f)}~~ registrant.

(d) Any other information ~~{requested}~~ required pursuant to any rules or regulations adopted by the Secretary of State.

3. ~~{An applicant for appointment as an electronic notary public who resides in an adjoining state, in addition to the requirements set forth in subsections 1 and 2, must submit to the Secretary of State with the application:}~~

~~—(a) An affidavit setting forth the adjoining state in which the applicant resides, the applicant's mailing address and the address of the applicant's place of business or employment that is located within the State of Nevada;~~

~~—(b) A copy of the applicant's state business registration issued pursuant to chapter 76 of NRS and any business license required by the local government where the applicant's business is located, if the applicant is self-employed; and~~

~~—(c) Unless the applicant is self-employed, a copy of the state business registration of the applicant's employer issued pursuant to chapter 76 of NRS, a copy of any business license of the applicant's employer that is required by the local government where the business is located and an affidavit from the applicant's employer setting forth the facts which show that the employer regularly employs the applicant at an office, business or facility which is located within the State of Nevada.~~

~~—4. In completing an application, bond, oath or other document necessary to apply for appointment as an electronic notary public, an applicant must not be required to disclose his or her residential address or telephone number on any such document which will become available to the public.~~

~~—5. The bond, together with the oath, must be filed and recorded in the office of the county clerk of the county in which the applicant resides when the applicant applies for appointment or, if the applicant is a resident of an adjoining state, with the clerk of the county in this State in which the applicant maintains a place of business or is employed. On a form provided by the Secretary of State, the county clerk shall immediately certify to the Secretary of State that the required bond and oath have been filed and recorded. Upon receipt of the application, fee and certification that the required bond and oath have been filed and recorded, the Secretary of State shall issue a certificate of appointment as an electronic notary public to the applicant.~~

~~—6. The term of an electronic notary public commences on the effective date of the bond required pursuant to paragraph (f) of subsection 1. An electronic notary public shall not perform an electronic notarial act after the effective date of the bond unless the electronic notary public has been issued a certificate of appointment pursuant to subsection 5.~~

~~—7. Except as otherwise provided in this subsection, the Secretary of State shall charge a fee of \$10 for each duplicate or amended certificate of appointment which is issued to an electronic notary public. If the electronic notary public does not receive an original certificate of appointment, the Secretary of State shall provide a duplicate certificate of appointment without charge if the electronic notary public requests such a duplicate within 60 days after the date on which the original certificate was issued.} Unless the Secretary of State establishes a different process for the payment of the registration fee required pursuant to paragraph (c) of subsection 1, the registration fee must be paid by check or draft, made payable to the Secretary of State and transmitted to the Office of the Secretary of State.~~

4. *Registration as an electronic notary public shall be deemed effective upon the payment of the registration fee required pursuant to paragraph (c) of subsection 1 if the registrant has satisfied all other applicable requirements.*

Sec. 46. NRS 240.194 is hereby amended to read as follows:

240.194 1. The ~~{initial term}~~ period of ~~{appointment}~~ registration ~~{as}~~ of an electronic notary public is ~~{2 years. Each}~~ coterminous with his or her term of appointment as a notary public pursuant to NRS 240.010. ~~Registration as an electronic notary public {subsequent to the initial term is 4 years.}~~ must be renewed at the same time a person renews his or her appointment as a notary public.

2. The ~~{appointment}~~ registration of an electronic notary public is suspended by operation of law when the electronic notary public is no longer appointed as a notary public in this State. If the ~~{appointment}~~ registration of an electronic notary public has expired or been revoked or suspended, the Secretary of State shall immediately notify the electronic notary public in writing that his or her ~~{appointment}~~ registration as an electronic notary public will be suspended by operation of law until he or she is appointed as a notary public in this State.

3. If, at any time ~~{during his or her appointment, an}~~, a registered electronic notary public changes his or her electronic mail address, county of residence, name, electronic signature or the technology or device used to create his or her electronic signature, the electronic notary public shall, within 10 days after making the change, submit to the Secretary of State:

(a) An electronic document, signed with the electronic signature submitted by the electronic notary public pursuant to subsection 2 of NRS 240.192, that includes the change of information; and

(b) A fee of \$10.

Sec. 46.5. NRS 240.195 is hereby amended to read as follows:

240.195 1. *In addition to any courses of study a notary public is required to complete pursuant to NRS 240.018, the Secretary of State may, by rule or regulation, require a notary public who registers with the Secretary of State as an electronic notary public pursuant to NRS 240.192 to complete an additional course of study on electronic notarization in accordance with this section.*

2. Except as otherwise provided in subsection ~~{2, an applicant for appointment}~~ 3, a registrant as an electronic notary public must successfully:

(a) Complete ~~{a}~~ any course of study on electronic notarization that is required pursuant to subsection 1 in accordance with the requirements of subsection ~~{5;}~~ 6; and

(b) Pass an examination at the completion of the course.

~~{2;}~~ 3. The following persons are required to enroll in and successfully complete ~~{a}~~ any course of study ~~{as}~~ on electronic notarization that is required pursuant to subsection 1:

(a) A person ~~{applying}~~ *registering* for ~~{his or her}~~ *the first* ~~{appointment}~~ *time* as an electronic notary public;

(b) A person renewing his or her ~~{appointment}~~ *registration* as an electronic notary public; and

(c) A person who has committed a violation of this chapter or whose ~~{appointment}~~ *registration* as an electronic notary public has been suspended, and who has been required by the Secretary of State to enroll in a course of study provided pursuant to this section.

~~{3.}~~ 4. A course of study required to be completed pursuant to subsection 1 must:

(a) ~~{Include at least}~~ *Be taken online and be of a duration of not more than 3 hours* ~~{of instruction;}~~ *, including instruction and completion of an examination of the course content;*

(b) Provide instruction in electronic notarization, including, without limitation, notarial law and ethics, technology and procedures;

(c) ~~{Include an examination of the course content;}~~

~~{(d)}~~ *Comply with* ~~{the}~~ *any* regulations adopted pursuant to NRS 240.206 ~~{relating to courses of study on electronic notarization;}~~ and

~~{(e)}~~ *(d)* Be approved by the Secretary of State.

~~{4.}~~ 5. The Secretary of State may, with respect to a course of study required to be completed pursuant to subsection 1 ~~{:~~

~~{(a)}~~ *Provide such a course of study; and*

~~{(b)}~~ *Charge* ~~{, charge}~~ a reasonable fee to each person who enrolls in such a course of study.

~~{5.}~~ 6. A course of study provided pursuant to this section:

(a) Must satisfy the criteria set forth in subsection ~~{3}~~ 4 and comply with ~~{the}~~ *any* requirements set forth in the regulations adopted pursuant to NRS 240.206 ~~{relating to courses of study on electronic notarization.}~~

(b) May be provided ~~{in person or online}~~ by the Secretary of State or a vendor approved by the Secretary of State.

~~{6.}~~ 7. The Secretary of State shall deposit the fees collected pursuant to ~~{paragraph (b) of}~~ subsection ~~{4}~~ 5 in the Notary Public Training Account created pursuant to NRS 240.018.

Sec. 47. NRS 240.196 is hereby amended to read as follows:

240.196 A person ~~{appointed}~~ *registered* as an electronic notary public pursuant to NRS 240.181 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act* may ~~{, during normal business hours,}~~ perform the following electronic notarial acts for a person who requests the electronic notarial act and tenders ~~{the appropriate}~~ *any authorized* fee:

1. Taking an acknowledgment;
2. Executing a jurat; ~~{and}~~
3. Administering an oath or affirmation ~~{,}~~ ;
4. *Certifying a true and correct copy; and*
5. *Performing such other duties as prescribed by law.*

Sec. 48. NRS 240.197 is hereby amended to read as follows:

240.197 1. *Except as otherwise provided in this section:*

(a) An electronic notary public may charge the following fees : ~~and no more:~~

- ~~—(a)—~~ (1) For taking an acknowledgment, for each signature~~[\$10]~~ \$25
- ~~—(b)—~~ (2) For executing a jurat, for each signature~~[\$10]~~ \$25
- ~~—(c)—~~ (3) For administering an oath or affirmation without a signature
.....~~[\$10]~~ \$25

~~{2.}~~ (b) An electronic notary public shall not charge a fee to perform ~~{a service}~~ *an electronic notarial act* unless he or she is authorized to charge a fee for such ~~{a service}~~ *an electronic notarial act* pursuant to this section.

~~{3.}~~ (c) All fees prescribed in this section are payable in advance, if demanded.

~~{4.}~~ (d) An electronic notary public may charge an additional fee for traveling to perform an electronic notarial act if:

~~{(a)}~~ (1) The person requesting the electronic notarial act asks the electronic notary public to travel;

~~{(b)}~~ (2) The electronic notary public explains to the person requesting the electronic notarial act that the fee for travel is in addition to the fee authorized in ~~{subsection 1}~~ *paragraph (a)* and is not required by law;

~~{(c)}~~ (3) The person requesting the electronic notarial act agrees in advance upon the hourly rate that the electronic notary public will charge for the additional fee for travel; and

~~{(d)}~~ (4) The additional fee for travel does not exceed:

~~{(1)}~~ (I) If the person requesting the electronic notarial act asks the electronic notary public to travel between the hours of 6 a.m. and 7 p.m., \$10 per hour.

~~{(2)}~~ (II) If the person requesting the electronic notarial act asks the electronic notary public to travel between the hours of 7 p.m. and 6 a.m., \$25 per hour.

➔ The electronic notary public may charge a minimum of 2 hours for such travel and shall charge on a pro rata basis after the first 2 hours.

~~{5.}~~ (e) An electronic notary public is entitled to charge the amount of the additional fee for travel agreed to in advance by the person requesting the electronic notarial act pursuant to ~~{subsection 4}~~ *paragraph (d)* if:

~~{(a)}~~ (1) The person requesting the electronic notarial act cancels the request after the electronic notary public begins traveling to perform the requested electronic notarial act.

~~{(b)}~~ (2) The electronic notary public is unable to perform the requested electronic notarial act as a result of the actions of the person who requested the electronic notarial act or any other person who is necessary for the performance of the electronic notarial act.

~~{6.}~~ (f) For each additional fee for travel that an electronic notary public charges pursuant to ~~{subsection 4.}~~ *paragraph (d)*, the electronic notary

public shall enter in the *electronic* journal that he or she keeps pursuant to NRS 240.201:

~~[(a)]~~ (1) The amount of the fee; and

~~[(b)]~~ (2) The date and time that the electronic notary public began and ended such travel.

~~[7.]~~ (g) *An electronic notary public may charge a reasonable fee to recover any cost of providing a copy of an entry or a recording of an audio-video communication in an electronic journal maintained pursuant to NRS 240.201.*

2. A person who employs an electronic notary public may prohibit the electronic notary public from charging a fee for an electronic notarial act that the electronic notary public performs within the scope of the employment. Such a person shall not require the electronic notary public whom the person employs to surrender to the person all or part of a fee charged by the electronic notary public for an electronic notarial act performed outside the scope of the employment of the electronic notary public.

3. *An electronic notary public who is an officer or employee of the State or a local government shall not charge a fee for an electronic notarial act that the electronic notary public performs within the scope of such employment.*

4. *This section does not apply to any compensation for services provided by an electronic notary public which do not constitute electronic notarial acts or comply with the other requirements of this chapter.*

Sec. 49. NRS 240.198 is hereby amended to read as follows:

240.198 *Except as otherwise specifically provided by law:*

1. An electronic notary public shall not willfully electronically notarize the signature or electronic signature of a person unless the person is in the presence of the electronic notary public at the time of notarization and:

(a) Is known to the electronic notary public; or

(b) If unknown to the electronic notary public, provides a credible witness or documentary evidence of identification to the electronic notary public.

2. A person who:

(a) Violates the provisions of subsection 1; or

(b) Aids and abets an electronic notary public to commit a violation of subsection 1,

↪ is guilty of a gross misdemeanor.

3. ~~{An electronic notary public shall not electronically notarize any electronic document related to the following:~~

~~—(a) A will, codicil or testamentary trust; and~~

~~—(b) Any transaction governed by the Uniform Commercial Code other than NRS 104.1306, 104.2101 to 104.2725, inclusive, and 104A.2101 to 104A.2532, inclusive.~~

~~—4. An appointment}~~ *Registration as an electronic notary public pursuant to NRS 240.181 to 240.206, inclusive, and sections 30 to 38.7, inclusive, of*

this act does not authorize the electronic notary public to perform notarial acts in another state.

4. A notarial act performed by an electronic notary public in this State for a person located outside this State by means of audio-video communication in accordance with the provisions of this chapter shall not be deemed to be performed outside this State.

Sec. 50. NRS 240.199 is hereby amended to read as follows:

240.199 1. An electronic notarial act must be evidenced by the following, which must be attached to or logically associated with the electronic document that is the subject of the electronic notarial act and which must be immediately perceptible and reproducible:

~~{1-}~~ (a) The electronic signature of the electronic notary public;

~~{2-}~~ (b) The electronic seal of the electronic notary public; and

~~{3-}~~ (c) The wording of a notarial certificate pursuant to NRS 240.1655, 240.166 to 240.167, inclusive, 240.1685 or 240.169 ~~{-}~~, *including, without limitation, language explicitly stating that the notarial act was performed using audio-video communication, if applicable.*

2. Upon the completion of an electronic notarial act in accordance with subsection 1, an electronic notary public shall use technology to render the electronic document tamper-evident.

Sec. 51. NRS 240.201 is hereby amended to read as follows:

240.201 1. An electronic notary public shall keep ~~{a}~~ *an electronic journal of each electronic notarial act which includes, without limitation, the requirements of subsections 1 and 5 of NRS 240.120 {-}, but does not include the electronic signatures of the person for whom the electronic notarial act was performed and any witnesses.*

2. An electronic notary public who performs electronic notarial acts shall:

(a) Describe each electronic notarial act in the electronic journal and specify whether the electronic notarial act was performed using audio-video communication;

(b) Maintain and protect the electronic journal at all times under his or her sole control; and

(c) Provide for lawful inspection and copying of the electronic journal.

3. An electronic notary public may maintain more than one electronic journal to record electronic notarial acts.

4. The fact that the employer or contractor of an electronic notary public keeps a record of electronic notarial acts does not relieve the electronic notary public of the duties required by this section.

5. An electronic journal must:

(a) Enable access by a password or other secure means of authentication; and

(b) Be capable of providing tangible or electronic copies of any entry made therein.

6. The Secretary of State may suspend the ~~[appointment]~~ registration of an electronic notary public who fails to produce any *electronic* journal entry within 10 days after receipt of a request from the Secretary of State.

~~[3.]~~ 7. Upon ~~[resignation,]~~ *surrender*, revocation or expiration of ~~[an appointment]~~ a registration as an electronic notary public, all notarial records required pursuant to NRS 240.001 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act* must, *except as otherwise provided by law*, be ~~[delivered to the Secretary of State.]~~ *kept by the electronic notary public for a period of 7 years after the termination of the registration of the electronic notary public.*

8. As used in this section, "sole control" means being in the direct physical custody of or safeguarded by an electronic notary public with a password or other secure means of authentication.

Sec. 52. NRS 240.202 is hereby amended to read as follows:

240.202 1. The electronic signature and electronic seal of an electronic notary public must be used only for the purposes of performing electronic notarial acts.

2. An electronic notary public shall safeguard his or her electronic signature, the electronic seal and all notarial records maintained by the electronic notary public as follows:

(a) When not in use, the electronic notary public shall keep the electronic signature, electronic seal and all notarial records secure, under the exclusive control of the electronic notary public and protected by a password where applicable.

(b) An electronic notary public shall not permit his or her electronic signature or electronic seal to be used by any other person.

(c) An electronic notary public shall not surrender or destroy his or her notarial records except as otherwise required by the order of a court or as allowed pursuant to NRS 240.001 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act* or any regulations adopted pursuant thereto.

(d) Except as otherwise provided in subsection 3, an electronic notary public, within 10 days after discovering that his or her electronic signature or electronic seal has been stolen, lost, damaged or otherwise rendered incapable of affixing a legible image, shall:

(1) Inform the appropriate law enforcement agency in the case of theft or vandalism; and

(2) Notify the Secretary of State *and the entity from which the electronic notary public obtained the electronic signature or electronic seal* in writing, including, without limitation, a signature using the name ~~[on the certificate of appointment issued]~~ *under which the electronic notary public is registered* pursuant to ~~[subsection 5 of]~~ NRS 240.192.

3. An electronic notary public shall take reasonable steps to maintain the technology or device used to create his or her electronic signature, and to ensure that the technology or device has not been recalled, revoked, terminated or otherwise rendered ineffective or unsecure by the entity that

created the technology or device. Upon learning that the technology or device used to create his or her electronic signature has been rendered ineffective or unsecure, an electronic notary public shall cease performing electronic notarial acts until:

(a) A new technology or device is acquired; and

(b) The electronic notary public sends an electronic notice to the Secretary of State that includes ~~[-, without limitation,] the [information]~~ *electronic signature of the electronic notary public* required pursuant to ~~[paragraphs (d) and (e)]~~ *paragraph (c)* of subsection 2 of NRS 240.192 relating to the new technology or device.

Sec. 53. NRS 240.203 is hereby amended to read as follows:

240.203 1. Except as otherwise provided in subsection 3, if an electronic notary public dies ~~for resigns]~~ during his or her ~~[appointment,]~~ *period of registration*, or if the ~~[appointment]~~ *registration* of the electronic notary public is *surrendered or* revoked or expires, the electronic notary public, the executor of his or her estate or an authorized representative of the electronic notary public, as appropriate, shall:

(a) Notify the Secretary of State of the resignation or death; and

(b) Erase, delete, destroy or otherwise render ineffective the technology or device used to create his or her electronic signature.

2. Upon receipt of the notice required by subsection 1, the Secretary of State shall cancel the ~~[appointment]~~ *registration* of the electronic notary public, effective on the date on which the notice was received.

3. A former electronic notary public whose previous ~~[appointment]~~ *registration* as an electronic notary public was not revoked and whose previous ~~[application for appointment]~~ *registration* as an electronic notary public was not denied is not required to erase, delete, destroy or otherwise render ineffective the technology or device used to create his or her electronic signature if the former electronic notary public renews his or her ~~[appointment,]~~ *registration*, using the same electronic signature, within 3 months after the expiration of his or her previous ~~[appointment]~~ *registration* as an electronic notary public.

Sec. 54. NRS 240.204 is hereby amended to read as follows:

240.204 1. A person who knowingly creates, manufactures or distributes software or hardware for the purpose of allowing a person to act as an electronic notary public without being ~~[appointed]~~ *registered* in accordance with NRS 240.181 to 240.206, inclusive, *and sections 30 to 38.7, inclusive, of this act* is guilty of a gross misdemeanor.

2. A person who wrongfully obtains, conceals, damages or destroys the technology or device used to create the electronic signature of an electronic notary public is guilty of a gross misdemeanor.

Sec. 55. NRS 719.200 is hereby amended to read as follows:

719.200 1. Except as otherwise provided in subsection 2, the provisions of this chapter apply to electronic records and electronic signatures relating to a transaction.

2. The provisions of this chapter do not apply to a transaction to the extent it is governed by:

(a) ~~[A]~~ *Except as otherwise specifically provided by law, a law governing the creation and execution of wills, codicils or testamentary trusts;*

(b) The Uniform Commercial Code other than NRS 104.1306, 104.2101 to 104.2725, inclusive, and 104A.2101 to 104A.2532, inclusive; or

(c) The provisions of NRS 439.581 to 439.595, inclusive, and the regulations adopted pursuant thereto.

3. The provisions of this chapter apply to an electronic record or electronic signature otherwise excluded from the application of this chapter under subsection 2 to the extent it is governed by a law other than those specified in subsection 2.

4. A transaction subject to the provisions of this chapter is also subject to other applicable substantive law.

Sec. 56. Section 4 of Assembly Bill No. 476 of this session is hereby amended to read as follows:

Sec. 4. (Deleted by amendment.)

Sec. 57. Section 5 of Assembly Bill No. 476 of this session is hereby amended to read as follows:

Sec. 5. (Deleted by amendment.)

Sec. 58. Section 6 of Assembly Bill No. 476 of this session is hereby amended to read as follows:

Sec. 6. (Deleted by amendment.)

Sec. 59. Section 8 of Assembly Bill No. 476 of this session is hereby amended to read as follows:

Sec. 8. (Deleted by amendment.)

Sec. 60. Section 9 of Assembly Bill No. 476 of this session is hereby amended to read as follows:

Sec. 9. (Deleted by amendment.)

Sec. 61. The provisions of this act are intended to supersede any provisions of Assembly Bill No. 476 of this session that conflict with the provisions of this act.

Sec. 62. NRS 240.193 is hereby repealed.

Sec. 63. 1. This section and sections 56 to 60, inclusive, of this act become effective upon passage and approval.

2. Sections 1 to 28, inclusive, and 61 of this act become effective on July 1, 2017.

3. Sections 29 to 55, inclusive, and 62 of this act become effective:

(a) Upon passage and approval for the purpose of adopting any rules and regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On December 1, 2017, for all other purposes.

TEXT OF REPEALED SECTION

240.193 Requirements for bond; notification of exhaustion of penal sum; release of surety; suspension of appointment; reinstatement of appointment.

1. The bond required to be filed pursuant to NRS 240.192 must be executed by the person applying to become an electronic notary public as principal and by a surety company qualified and authorized to do business in this State. The bond must be made payable to the State of Nevada and be conditioned to provide indemnification to a person determined to have suffered damage as a result of an act by the electronic notary public which violates a provision of NRS 240.001 to 240.206, inclusive. The surety company shall pay a final, nonappealable judgment of a court of this State that has jurisdiction, upon receipt of written notice of final judgment. The bond may be continuous, but regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.

2. If the penal sum of the bond is exhausted, the surety company shall notify the Secretary of State in writing within 30 days after its exhaustion.

3. The surety bond must cover the period of the appointment of the electronic notary public, except when a surety is released.

4. A surety on a bond filed pursuant to NRS 240.192 may be released after the surety gives 30 days' written notice to the Secretary of State and the electronic notary public, but the release does not discharge or otherwise affect a claim filed by a person for damage resulting from an act of the electronic notary public which is alleged to have occurred while the bond was in effect.

5. The appointment of an electronic notary public is suspended by operation of law when the electronic notary public is no longer covered by a surety bond as required by this section and NRS 240.192 or the penal sum of the bond is exhausted. If the Secretary of State receives notice pursuant to subsection 4 that the bond will be released or pursuant to subsection 2 that the penal sum of the bond is exhausted, the Secretary of State shall immediately notify the electronic notary public in writing that his or her appointment will be suspended by operation of law until another surety bond is filed in the same manner and amount as the bond being terminated.

6. The Secretary of State may reinstate the appointment of an electronic notary public whose appointment has been suspended pursuant to subsection 5 if the electronic notary public, before his or her current term of appointment expires:

(a) Submits to the Secretary of State:

(1) An application for an amended certificate of appointment as an electronic notary public; and

(2) A certificate issued by the clerk of the county in which the applicant resides or, if the applicant is a resident of an adjoining state, the county in this State in which the applicant maintains a place of business or is employed, which indicates that the applicant filed a new surety bond with the clerk; and

(b) Pays to the Secretary of State a fee of \$10.

Senator Segerblom moved the adoption of the amendment.

Remarks by Senator Segerblom.

This amendment deletes language in the definition of audio-visual communication; makes a technical deletion in section 38, and adds an email address in section 45 of Assembly Bill No. 413.

Amendment adopted.

Senator Segerblom moved that the bill will be placed on the Secretary's desk, upon receipt from reprint.

Motion carried.

Bill ordered reprinted, re-engrossed and to the Secretary's desk.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Spearman moved that Senate Concurrent Resolution No. 11 be taken from the Secretary's desk and placed on the Resolution File, fourth Agenda.

Motion carried.

Senator Ford moved that Assembly Bill No. 207 be taken from the Secretary's desk and placed on the General File.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 422.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 1115.

SUMMARY—Revises provisions relating to the use of marijuana. (BDR 40-983)

AN ACT relating to marijuana; revising various provisions relating to the medical use of marijuana; 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; revising provisions relating to registry identification cards and letters of approval; revising provisions relating to the authorization of nonresidents to engage in the medical use of marijuana; prohibiting the Department of Taxation from requiring a medical marijuana dispensary to determine whether a person has exceeded the legal limits for possession of marijuana for medical use; revising provisions relating to medical marijuana establishment agents; prohibiting the use of a vending machine to dispense marijuana; 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 regulation and taxation of a marijuana establishment or medical marijuana establishment by a city, town or county; revising the distribution of excise taxes on sales of marijuana for medical purposes; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law exempts a person who holds a valid registry identification card or letter of approval from state prosecution for the use, possession, delivery and production of marijuana. (NRS 453A.200, 453A.205) Existing law also exempts a person who holds a valid medical marijuana establishment registration certificate or medical marijuana establishment agent registration card from state prosecution for possession, delivery and production of marijuana and provides for the registration and regulation of such persons and establishments. (NRS 453A.200, 453A.320-453A.370) Sections 2, 8, 9, 11, 13-15, 27-42, 44-48, 51 and 66-68 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 38 of this bill prohibits a medical marijuana establishment from dispensing or otherwise selling marijuana using a vending machine. Section 56.7 of this bill establishes a similar prohibition for recreational marijuana establishments after January 1, 2020.

Existing law requires a person who wishes to engage in the medical use of marijuana to apply to the Division of Public and Behavioral Health of the Department of Health and Human Services for a registry identification card or letter of approval, as applicable, and grants the holder of such a card or letter an exemption from state prosecution for certain crimes relating to marijuana. (NRS 453A.200, 453A.205) Existing law requires such an application to be accompanied by valid, written documentation from the applicant's attending physician. (NRS 453A.210) Section 19 of this bill instead requires the applicant's attending ~~(physician)~~ provider of health care to: (1) maintain such written documentation and make such written documentation available to the Division upon request; and (2) sign the application to affirm that the requirements of such written documentation have been met. Section 20 of this bill provides that such written documentation may be valid for either 1 year or 2 years and that a registry identification card or letter of approval based on such written documentation is valid for the same period of time. Section 55 of this bill reduces the maximum fee that the Division may charge for issuing a registry identification card or letter of approval from \$75 per year to \$50 per year.

Existing law requires a medical marijuana establishment that wishes to retain as a volunteer or employ or contract with a person to provide labor to the medical marijuana establishment to submit an application to register the person as a medical marijuana establishment agent. (NRS 453A.332) Section 31 of this bill allows such a person to submit an application for registration as a medical marijuana establishment agent on his or her own behalf. Section 31 also provides for the temporary registration of a person as a medical marijuana establishment agent upon submission of a complete application for registration or renewal of registration. Finally, section 31 allows an independent contractor or employee of an independent contractor

who is registered as a medical marijuana establishment agent to provide labor to any medical marijuana establishment and any other person who is registered as a medical marijuana establishment agent to work or volunteer at any medical marijuana establishment for which the category of the person's medical marijuana establishment agent card is valid.

Existing law limits the exemption from state prosecution for the medical use of marijuana to the possession of not more than 2.5 ounces of usable marijuana in a 14-day period, 12 marijuana plants and a quantity of edible marijuana products and marijuana-infused products established by regulation. (NRS 453A.200) Existing law also prohibits a medical marijuana dispensary from selling marijuana in excess of these limits to a person. (NRS 453A.358) Section 41 of this bill instead: (1) prohibits a medical marijuana dispensary from selling more than 1 ounce of marijuana in a transaction; and (2) prohibits the Department of Taxation from requiring a medical marijuana dispensary to track the purchases of a person or determine whether a person has exceeded the legal limits for possession of marijuana for medical use. Section 41 further provides that only persons who are 21 years of age or more or hold a registry identification card or letter of approval are allowed to enter a medical marijuana dispensary.

Existing law allows a medical marijuana dispensary to recognize a nonresident card for the purpose of dispensing marijuana for medical use if the nonresident card meets certain requirements that make it the functional equivalent of a registry identification card. Existing law also requires, as of April 1, 2018, a nonresident card to be verified by the use of certain databases. (NRS 453A.364) Section 43 of this bill instead: (1) deems a nonresident who is authorized to engage in the medical use of marijuana under the laws of his or her state or jurisdiction of residence to be listed in the medical marijuana registry for the purpose of exemption from state prosecution, if the person abides by the legal limits on the possession, delivery and production of marijuana in this State; and (2) authorizes a medical marijuana dispensary to dispense marijuana to such a person if the person presents a document which is valid proof of exemption under the laws of the state or jurisdiction of which the person is a resident. Section 69 of this bill eliminates the prospective requirement to verify a nonresident authorization by the use of certain databases.

Sections 65.6-65.85 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.

Section 65.95 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) Section 65.98 of this bill, consistent with sections 2, 8, 9, 11, 13-15, 27-42, 44-48, 51 and 66-68 of this bill which transfer the responsibility for the regulation of medical marijuana establishments from the Division to the Department of Taxation, directs 25 percent of the proceeds of such excise taxes to the Department of Taxation.

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

Section 1. Chapter 453A of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 5, inclusive, of this act.

Sec. 2. *"Department" means the Department of Taxation.*

Sec. 3. (Deleted by amendment.)

Sec. 4. (Deleted by amendment.)

Sec. 5. (Deleted by amendment.)

Sec. 6. 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 sections 2, 3 and 4 of this act have the meanings ascribed to them in those sections.

Sec. 7. (Deleted by amendment.)

Sec. 7.5. NRS 453A.030 is hereby amended to read as follows:

453A.030 "Attending ~~physician~~ provider of health care" means a ~~physician~~ provider of health care, as defined in NRS 629.031, who:

1. Is licensed or certified to practice ~~;~~

~~(a) Medicine pursuant to the provisions of chapter 630 of NRS; or~~

~~(b) Osteopathic medicine pursuant to the provisions of chapter 633 of NRS; and,~~ a profession which authorizes the person to write a prescription

for a medication to treat a chronic or debilitating medical condition; and

2. Has responsibility for the care and treatment of a person diagnosed with a chronic or debilitating medical condition.

Sec. 8. 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. 8.5. NRS 453A.080 is hereby amended to read as follows:

453A.080 1. "Designated primary caregiver" means a person who:

(a) Is 18 years of age or older;

(b) Has significant responsibility for managing the well-being of a person diagnosed with a chronic or debilitating medical condition; and

(c) Is designated as such in the manner required pursuant to NRS 453A.250.

2. The term does not include the attending ~~physician~~ provider of health care of a person diagnosed with a chronic or debilitating medical condition.

Sec. 9. 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. 10. (Deleted by amendment.)

Sec. 11. 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. 12. (Deleted by amendment.)

Sec. 13. 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 ~~[-]~~ *or to another medical marijuana dispensary.*

Sec. 14. 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. 15. 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. 16. (Deleted by amendment.)

Sec. 17. (Deleted by amendment.)

Sec. 17.5. NRS 453A.170 is hereby amended to read as follows:

453A.170 "Written documentation" means:

1. A statement signed by the attending ~~physician~~ provider of health care of a person diagnosed with a chronic or debilitating medical condition; or

2. Copies of the relevant medical records of a person diagnosed with a chronic or debilitating medical condition.

Sec. 18. 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. 19. NRS 453A.210 is hereby amended to read as follows:

453A.210 1. The Division shall establish and maintain a program for the issuance of registry identification cards and letters of approval to persons who meet the requirements of this section.

2. Except as otherwise provided in subsections 3 and 5 and NRS 453A.225, the Division or its designee shall issue a registry identification card to a person who is a resident of this State and who submits an application on a form prescribed by the Division accompanied by the following:

(a) ~~Valid, written documentation~~ A signature from the person's attending ~~physician stating~~ provider of health care affirming that:

(1) The person has been diagnosed with a chronic or debilitating medical condition;

(2) The medical use of marijuana may mitigate the symptoms or effects of that condition; ~~and~~

(3) The attending ~~physician~~ provider of health care has explained the possible risks and benefits of the medical use of marijuana; and

(4) ~~The attending physician~~ provider of health care will keep, in the files maintained by the attending physician provider of health care for the person, valid, written documentation and make such written documentation available to the Division upon request;

(b) The name, address, telephone ~~number, social security~~ number and date of birth of the person;

(c) Proof satisfactory to the Division that the person is a resident of this State;

(d) The name, address and telephone number of the person's attending ~~physician~~ provider of health care;

(e) If the person elects to designate a primary caregiver at the time of application:

(1) The name, address ~~and~~ and telephone number ~~and social security number~~ of the designated primary caregiver; and

(2) A ~~written, signed statement~~ signature from the person's attending ~~physician in which~~ provider of health care affirming that the attending ~~physician~~ provider of health care approves of the designation of the primary caregiver; and

(f) If the person elects to designate a medical marijuana dispensary at the time of application, the name of the medical marijuana dispensary.

3. The Division or its designee shall issue a registry identification card to a person who is at least 10 years of age but less than 18 years of age or a letter of approval to a person who is less than 10 years of age if:

(a) The person submits the materials required pursuant to subsection 2; and

(b) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age signs a written statement setting forth that:

(1) The attending ~~physician~~ *provider of health care* of the person under 18 years of age *is a physician licensed pursuant to chapter 630 or 633 of NRS and* has explained to that person and to the custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age the possible risks and benefits of the medical use of marijuana;

(2) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age consents to the use of marijuana by the person under 18 years of age for medical purposes;

(3) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to serve as the designated primary caregiver for the person under 18 years of age; and

(4) The custodial parent or legal guardian with responsibility for health care decisions for the person under 18 years of age agrees to control the acquisition of marijuana and the dosage and frequency of use by the person under 18 years of age.

4. ~~[The form prescribed by the Division to be used by a person applying for a registry identification card or letter of approval pursuant to this section must be a form that is in quintuplicate.]~~ Upon receipt of an application that is completed and submitted pursuant to this section, the Division shall:

(a) Record on the application the date on which it was received;

(b) Retain one copy of the application for the records of the Division; and

(c) Distribute ~~the other four~~ copies of the application in the following manner:

(1) One copy to the person who submitted the application;

(2) One copy to the applicant's designated primary caregiver, if any;

and

(3) ~~One copy to the Central Repository for Nevada Records of Criminal History; and~~

~~—(4)— One copy to, ~~for~~~~

~~(I) If the attending physician of the applicant is licensed to practice medicine pursuant to the provisions of chapter 630 of NRS, the Board of Medical Examiners; or~~

~~(II) If the attending physician of the applicant is licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS, the State Board of Osteopathic Medicine.]~~ *the professional licensing board that has issued a license or certification to the attending provider of health care.*

➤ ~~[The Central Repository for Nevada Records of Criminal History shall report to the Division its findings as to the criminal history, if any, of an applicant within 15 days after receiving a copy of an application pursuant to subparagraph (3) of paragraph (c).] The [Board of Medical Examiners or the State Board of Osteopathic Medicine, as] applicable ~~is~~ *professional licensing*~~

board shall report to the Division its findings as to the licensure or certification, as applicable, and standing of the applicant's attending ~~physician~~ provider of health care within 15 days after receiving a copy of an application pursuant to subparagraph ~~[(4)]~~ (3) of paragraph (c).

5. The Division shall verify the information contained in an application submitted pursuant to this section and shall approve or deny an application within ~~[30 days after receiving the application.]~~ *the period of time specified by the Division by regulation.* The Division may contact an applicant, the applicant's attending ~~physician~~ provider of health care and designated primary caregiver, if any, by telephone to determine that the information provided on or accompanying the application is accurate. The Division may deny an application only on the following grounds:

(a) The applicant failed to provide the information required pursuant to subsections 2 and 3 ; ~~to:~~

- ~~— (1) Establish the applicant's chronic or debilitating medical condition; or~~
- ~~— (2) Document the applicant's consultation with an attending physician regarding the medical use of marijuana in connection with that condition;]~~

(b) The applicant failed to comply with regulations adopted by the Division, including, without limitation, the regulations adopted by the Administrator of the Division pursuant to NRS 453A.740;

(c) The Division determines that the information provided by the applicant was falsified;

(d) The Division determines that the attending ~~physician~~ provider of health care of the applicant is not licensed ~~[to practice medicine or osteopathic medicine]~~ or certified in this State or is not in good standing, as reported by the ~~[Board of Medical Examiners or the State Board of Osteopathic Medicine, as]~~ applicable ~~to]~~ professional licensing board;

~~(e) [The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has been convicted of knowingly or intentionally selling a controlled substance;~~

~~—(f)]~~ The Division has prohibited the applicant from obtaining or using a registry identification card or letter of approval pursuant to subsection 2 of NRS 453A.300;

~~[(g)]~~ (f) The Division determines that the applicant, or the applicant's designated primary caregiver, if applicable, has had a registry identification card or letter of approval revoked pursuant to NRS 453A.225; or

~~[(h)]~~ (g) In the case of a person under 18 years of age, the custodial parent or legal guardian with responsibility for health care decisions for the person has not signed the written statement required pursuant to paragraph (b) of subsection 3.

6. The decision of the Division to deny an application for a registry identification card or letter of approval is a final decision for the purposes of judicial review. Only the person whose application has been denied or, in the case of a person under 18 years of age whose application has been denied, the person's parent or legal guardian, has standing to contest the

determination of the Division. A judicial review authorized pursuant to this subsection must be limited to a determination of whether the denial was arbitrary, capricious or otherwise characterized by an abuse of discretion and must be conducted in accordance with the procedures set forth in chapter 233B of NRS for reviewing a final decision of an agency.

7. A person whose application has been denied may not reapply for 6 months after the date of the denial, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

8. Except as otherwise provided in this subsection, if a person has applied for a registry identification card or letter of approval pursuant to this section and the Division has not yet approved or denied the application, the person, and the person's designated primary caregiver, if any, shall be deemed to hold a registry identification card or letter of approval ~~upon the presentation to a law enforcement officer of the~~ *and may present a copy of the application provided to him or her pursuant to subsection 4 [-] as proof that the person is deemed to hold a registry identification card to any person, including, without limitation, a law enforcement officer or a medical marijuana establishment agent at a medical marijuana dispensary.*

9. ~~An attending physician~~ *provider of health care who signs an application pursuant to subsection 2 for a patient shall maintain valid, written documentation in the file the attending physician provider of health care maintains for the patient and make such written documentation available to the Division upon request.*

10. As used in this section, "resident" has the meaning ascribed to it in NRS 483.141.

Sec. 20. NRS 453A.220 is hereby amended to read as follows:

453A.220 1. If the Division approves an application pursuant to subsection 5 of NRS 453A.210, the Division or its designee shall, as soon as practicable after the Division approves the application:

(a) Issue a letter of approval or serially numbered registry identification card, as applicable, to the applicant; and

(b) If the applicant has designated a primary caregiver, issue a serially numbered registry identification card to the designated primary caregiver.

2. A registry identification card issued pursuant to paragraph (a) of subsection 1 must set forth:

(a) The name, address, photograph and date of birth of the applicant;

(b) The date of issuance and date of expiration of the registry identification card;

(c) The name and address of the applicant's designated primary caregiver, if any;

(d) The name of the applicant's designated medical marijuana dispensary, if any;

(e) Whether the applicant is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and

(f) Any other information prescribed by regulation of the Division.

3. A letter of approval issued pursuant to paragraph (a) of subsection 1 must set forth:

- (a) The name, address and date of birth of the applicant;
- (b) The date of issuance and date of expiration of the registry identification card of the designated primary caregiver;
- (c) The name and address of the applicant's designated primary caregiver;
- (d) The name of the applicant's designated medical marijuana dispensary, if any; and
- (e) Any other information prescribed by regulation of the Division.

4. A registry identification card issued pursuant to paragraph (b) of subsection 1 must set forth:

- (a) The name, address and photograph of the designated primary caregiver;
- (b) The date of issuance and date of expiration of the registry identification card;
- (c) The name and address of the applicant for whom the person is the designated primary caregiver;
- (d) The name of the designated primary caregiver's designated medical marijuana dispensary, if any;
- (e) Whether the designated primary caregiver is authorized to cultivate, grow or produce marijuana pursuant to subsection 6 of NRS 453A.200; and
- (f) Any other information prescribed by regulation of the Division.

5. Except as otherwise provided in NRS 453A.225, subsection 3 of NRS 453A.230 and subsection 2 of NRS 453A.300, a registry identification card or letter of approval issued pursuant to this section is valid for a period of *either 1 year or 2 years, as specified by the attending ~~physician~~ provider of health care on the application for the issuance or renewal of the registry identification card or letter of approval*, and may be renewed in accordance with regulations adopted by the Division.

Sec. 21. NRS 453A.225 is hereby amended to read as follows:

453A.225 1. If, at any time after the Division or its designee has issued a registry identification card or letter of approval to a person pursuant to paragraph (a) of subsection 1 of NRS 453A.220, the Division determines, on the basis of official documents or records or other credible evidence, that the person ~~is~~

~~—(a) Provided,~~ *provided* falsified information on his or her application to the Division or its designee, as described in paragraph (c) of subsection 5 of NRS 453A.210, ~~or~~

~~—(b) Has been convicted of knowingly or intentionally selling a controlled substance, as described in paragraph (c) of subsection 5 of NRS 453A.210,~~

~~the~~ the Division shall immediately revoke the registry identification card or letter of approval issued to that person and shall immediately revoke the registry identification card issued to that person's designated primary caregiver, if any.

2. ~~If, at any time after the Division or its designee has issued a registry identification card to a person pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250, the Division determines, on the basis of official documents or records or other credible evidence, that the person has been convicted of knowingly or intentionally selling a controlled substance, as described in paragraph (c) of subsection 5 of NRS 453A.210, the Division shall immediately revoke the registry identification card issued to that person.~~

~~3.~~ Upon the revocation of a registry identification card or letter of approval pursuant to this section:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card or letter of approval has been revoked, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card or letter of approval to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

~~4.~~ 3. The decision of the Division to revoke a registry identification card or letter of approval pursuant to this section is a final decision for the purposes of judicial review.

~~5.~~ 4. A person whose registry identification card or letter of approval has been revoked pursuant to this section may not reapply for a registry identification card or letter of approval pursuant to NRS 453A.210 for 12 months after the date of the revocation, unless the Division or a court of competent jurisdiction authorizes reapplication in a shorter time.

Sec. 22. NRS 453A.230 is hereby amended to read as follows:

453A.230 1. A person to whom the Division or its designee has issued a registry identification card or letter of approval pursuant to paragraph (a) of subsection 1 of NRS 453A.220 shall, in accordance with regulations adopted by the Division:

(a) Notify the Division of any change in the person's name, address, telephone number, designated medical marijuana dispensary, attending ~~physician~~ provider of health care or designated primary caregiver, if any; and

(b) Submit ~~annually~~ to the Division, on a form prescribed by the Division:

(1) ~~Updated written documentation~~ *On or before the date specified by the attending ~~physician~~ provider of health care on the application for the issuance or renewal of the registry identification card or letter of approval pursuant to subsection 5 of NRS 453A.220, a signature from the person's attending ~~physician in which the attending physician sets forth~~ provider of health care affirming that:*

(I) The person continues to suffer from a chronic or debilitating medical condition;

(II) The medical use of marijuana may mitigate the symptoms or effects of that condition; and

(III) The attending ~~[physician]~~ provider of health care has explained to the person the possible risks and benefits of the medical use of marijuana; and

(2) If the person elects to designate a primary caregiver for the subsequent year and the primary caregiver so designated was not the person's designated primary caregiver during the previous year:

(I) The name, address ~~{,}~~ and telephone number ~~{and social security number}~~ of the designated primary caregiver; and

(II) A ~~{written, signed statement}~~ signature from the person's attending ~~[physician in which]~~ provider of health care affirming that the attending ~~[physician]~~ provider of health care approves of the designation of the primary caregiver.

2. A person to whom the Division or its designee has issued a registry identification card pursuant to paragraph (b) of subsection 1 of NRS 453A.220 or pursuant to NRS 453A.250 shall, in accordance with regulations adopted by the Division, notify the Division of any change in the person's name, address, telephone number, designated medical marijuana dispensary or the identity of the person for whom he or she acts as designated primary caregiver.

3. If a person fails to comply with the provisions of subsection 1 or 2, the registry identification card or letter of approval issued to the person shall be deemed expired. If the registry identification card or letter of approval of a person to whom the Division or its designee issued the card or letter pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is deemed expired pursuant to this subsection, a registry identification card issued to the person's designated primary caregiver, if any, shall also be deemed expired. Upon the deemed expiration of a registry identification card or letter of approval pursuant to this subsection:

(a) The Division shall send, by certified mail, return receipt requested, notice to the person whose registry identification card or letter of approval has been deemed expired, advising the person of the requirements of paragraph (b); and

(b) The person shall return his or her registry identification card or letter of approval to the Division within 7 days after receiving the notice sent pursuant to paragraph (a).

Sec. 23. (Deleted by amendment.)

Sec. 23.5. NRS 453A.240 is hereby amended to read as follows:

453A.240 If a person to whom the Division or its designee has issued a registry identification card or letter of approval pursuant to paragraph (a) of subsection 1 of NRS 453A.220 is diagnosed by the person's attending ~~[physician]~~ provider of health care as no longer having a chronic or debilitating medical condition, the person shall return his or her registry identification card or letter of approval and his or her designated primary

caregiver, if any, shall return his or her registry identification card to the Division within 7 days after notification of the diagnosis.

Sec. 24. NRS 453A.250 is hereby amended to read as follows:

453A.250 1. If a person who applies to the Division for a registry identification card or letter of approval or to whom the Division or its designee has issued a registry identification card or letter of approval pursuant to paragraph (a) of subsection 1 of NRS 453A.220 desires or is required to designate a primary caregiver, the person must:

(a) To designate a primary caregiver at the time of application, submit to the Division, *on a form prescribed by the Division*, the information required pursuant to paragraph (e) of subsection 2 of NRS 453A.210; or

(b) To designate a primary caregiver after the Division or its designee has issued a registry identification card or letter of approval to the person, submit to the Division, *on a form prescribed by the Division*, the information required pursuant to subparagraph (2) of paragraph (b) of subsection 1 of NRS 453A.230.

2. A person may have only one designated primary caregiver at any one time.

3. If a person designates a primary caregiver after the time that the person initially applies for a registry identification card or letter of approval, the Division or its designee shall, except as otherwise provided in subsection 5 of NRS 453A.210, issue a registry identification card to the designated primary caregiver as soon as practicable after receiving the information submitted pursuant to paragraph (b) of subsection 1.

4. *A person who is the parent or legal guardian of one or more children who are listed in the medical marijuana registry may be the designated primary caregiver for each such child regardless of whether the person is also listed in the medical marijuana registry as a patient.*

Sec. 25. (Deleted by amendment.)

Sec. 26. (Deleted by amendment.)

Sec. 26.5. NRS 453A.310 is hereby amended to read as follows:

453A.310 1. Except as otherwise provided in this section and NRS 453A.300, it is an affirmative defense to a criminal charge of possession, delivery or production of marijuana, or any other criminal offense in which possession, delivery or production of marijuana is an element, that the person charged with the offense:

(a) Is a person who:

(1) Has been diagnosed with a chronic or debilitating medical condition within the 12-month period preceding his or her arrest and has been advised by his or her attending ~~[physician]~~ provider of health care that the medical use of marijuana may mitigate the symptoms or effects of that chronic or debilitating medical condition;

(2) Is engaged in the medical use of marijuana; and

(3) Possesses, delivers or produces marijuana only in the amount described in paragraph (b) of subsection 3 of NRS 453A.200 or in excess of

that amount if the person proves by a preponderance of the evidence that the greater amount is medically necessary as determined by the person's attending ~~physician~~ provider of health care to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; or

(b) Is a person who:

(1) Is assisting a person described in paragraph (a) in the medical use of marijuana; and

(2) Possesses, delivers or produces marijuana only in the amount described in paragraph (b) of subsection 3 of NRS 453A.200 or in excess of that amount if the person proves by a preponderance of the evidence that the greater amount is medically necessary as determined by the assisted person's attending ~~physician~~ provider of health care to mitigate the symptoms or effects of the assisted person's chronic or debilitating medical condition.

2. A person need not hold a registry identification card or letter of approval issued to the person by the Division or its designee pursuant to NRS 453A.220 or 453A.250 to assert an affirmative defense described in this section.

3. Except as otherwise provided in this section and in addition to the affirmative defense described in subsection 1, a person engaged or assisting in the medical use of marijuana who is charged with a crime pertaining to the medical use of marijuana is not precluded from:

(a) Asserting a defense of medical necessity; or

(b) Presenting evidence supporting the necessity of marijuana for treatment of a specific disease or medical condition,

↪ if the amount of marijuana at issue is not greater than the amount described in paragraph (b) of subsection 3 of NRS 453A.200 and the person has taken steps to comply substantially with the provisions of this chapter.

4. A defendant who intends to offer an affirmative defense described in this section shall, not less than 5 days before trial or at such other time as the court directs, file and serve upon the prosecuting attorney a written notice of the defendant's intent to claim the affirmative defense. The written notice must:

(a) State specifically why the defendant believes he or she is entitled to assert the affirmative defense; and

(b) Set forth the factual basis for the affirmative defense.

↪ A defendant who fails to provide notice of his or her intent to claim an affirmative defense as required pursuant to this subsection may not assert the affirmative defense at trial unless the court, for good cause shown, orders otherwise.

Sec. 27. 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 ~~{ }~~, *except that the fingerprints of each person who is an owner, officer or board*

member of a medical marijuana establishment required to be submitted pursuant to subsection 4 must only be submitted:

(1) If such a person holds 5 percent or less of the ownership interest in any one medical marijuana establishment or an ownership interest in more than one medical marijuana establishment of the same kind that, when added together, equals 5 percent or less, once in any 5-year period; and

(2) If such a person holds more than 5 percent of the ownership interest in any one medical marijuana establishment or an ownership interest in more than one medical marijuana establishment of the same kind that, when added together, equals more than 5 percent, or is an officer or board member of a medical marijuana establishment, once in any 3-year period; ~~and~~

(b) Payment of the renewal fee set forth in NRS 453A.344 ~~to~~; and

(c) If the medical marijuana establishment is an independent testing laboratory, submission of proof that the independent testing laboratory is accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization.

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. *The Department:*

(a) Shall not require an applicant for registration as a medical marijuana establishment or for the renewal of a medical marijuana establishment registration certificate to submit a financial statement with the application for registration or renewal; and

(b) May require a medical marijuana establishment to submit a financial statement as determined to be necessary by the Department to ensure the collection of any taxes which may be owed by the medical marijuana establishment.

8. 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. 28. 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.

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 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, 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. With respect to medical marijuana establishments that are not medical marijuana dispensaries, the ~~{Division}~~ *Department* shall determine the appropriate number of such establishments 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}~~ *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. 29. 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. 30. 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. The diversity on the basis of race, ethnicity or gender of the applicant or the persons who are proposed to be owners, officers or board members of the proposed medical marijuana establishment; and

11. Any other criteria of merit that the ~~{Division}~~ Department determines to be relevant.

Sec. 31. 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 person who wishes to volunteer or work at a medical marijuana establishment, or a medical marijuana establishment that wishes to retain as a volunteer or employ ~~{a medical marijuana establishment agent}~~ such a person, 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 person who wishes to contract to provide labor to or be employed by an independent contractor to provide labor to a medical marijuana establishment, or a medical marijuana establishment that wishes to contract with ~~{an independent contractor to provide labor as a medical marijuana establishment agent}~~ such a person, 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.

9. *A medical marijuana establishment agent registration card issued pursuant to this section to an independent contractor or an employee of an independent contractor authorizes the independent contractor or employee to provide labor to any medical marijuana establishment in this State.*

10. *A medical marijuana establishment agent registration card issued pursuant to this section to a person who wishes to volunteer or work at a medical marijuana establishment authorizes the person to volunteer or work at any medical marijuana establishment in this State for which the category of the medical marijuana establishment agent registration card authorizes the person to volunteer or work.*

11. *Except as otherwise prescribed by regulation of the Department, an applicant for registration or renewal of registration as a medical marijuana establishment agent is deemed temporarily registered as a medical marijuana establishment agent on the date on which a complete application for registration or renewal of registration is submitted to the Department. A temporary registration as a medical marijuana establishment agent expires 30 days after the date upon which the application is received.*

Sec. 32. 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 , upon submission of a statement signed by a person authorized to submit such a statement by the governing documents of the medical marijuana establishment, 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]~~ *If the party will acquire the entirety of the ownership interest in the medical marijuana establishment, 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. 33. 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. 34. 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. 35. 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. 36. 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. 37. 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. 37.5. NRS 453A.350 is hereby amended to read as follows:

453A.350 1. Each medical marijuana establishment must:

(a) Be located in a separate building or facility that is located in a commercial or industrial zone or overlay;
 (b) Comply with all local ordinances and rules pertaining to zoning, land use and signage;
 (c) Have an appearance, both as to the interior and exterior, that is professional, orderly, dignified and consistent with the traditional style of pharmacies and medical offices; and
 (d) Have discreet and professional signage that is consistent with the traditional style of signage for pharmacies and medical offices.

2. A medical marijuana establishment may move to a new location under the jurisdiction of the same local government as its original location and regardless of the distance from its original location if the operation of the medical marijuana establishment at the new location has been approved by the local government. A local government may approve a new location pursuant to this subsection only in a public hearing for which written notice is given at least 7 working days before the hearing.

3. If a medical marijuana establishment is operated by a dual licensee, as defined in NRS 453D.030, any provision of this section which is determined by the Department to be unreasonably impracticable pursuant to subsection 9 of NRS 453A.370 does not apply to the medical marijuana establishment.

Sec. 38. 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 ~~}; and~~

(c) *Return for a refund marijuana, edible marijuana products or marijuana-infused products to the medical marijuana establishment from which the marijuana, edible marijuana products or marijuana-infused products were acquired.*

➤ 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 at any time, and a person who holds a medical marijuana establishment registration certificate must make himself or herself, or a designee thereof, available and present for any inspection by the Division of the establishment.

8. *A dual licensee, as defined in NRS 453D.030:*

(a) Shall comply with the regulations adopted by the Department pursuant to paragraph (k) of subsection 1 of NRS 453D.200 with respect to the medical marijuana establishment operated by the dual licensee; and

(b) May, to the extent authorized by such regulations, combine the location or operations of the medical marijuana establishment operated by the dual licensee with the marijuana establishment, as defined in NRS 453D.030, operated by the dual licensee.

9. Each medical marijuana establishment shall install a video monitoring system which must, at a minimum:

(a) Allow for the transmission and storage, by digital or analog means, of a video feed which displays the interior and exterior of the medical marijuana establishment; and

(b) Be capable of being accessed remotely by a law enforcement agency in real-time upon request.

10. *A medical marijuana establishment shall not dispense or otherwise sell marijuana, edible marijuana products or marijuana-infused products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the medical marijuana establishment.*

11. If a medical marijuana establishment is operated by a dual licensee, as defined in NRS 453D.030, any provision of this section which is determined by the Department to be unreasonably impracticable pursuant to subsection 9 of NRS 453A.370 does not apply to the medical marijuana establishment.

Sec. 39. 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. 40. 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. 41. NRS 453A.358 is hereby amended to read as follows:

453A.358 1. Each medical marijuana dispensary shall ensure all of the following:

~~{1.}~~ (a) The weight, concentration and content of THC in all marijuana, edible marijuana products and marijuana-infused products that the dispensary sells is clearly and accurately stated on the product sold.

~~{2.}~~ (b) That the dispensary does not sell to a person, in any one ~~{14-day period, an amount}~~ transaction, more than 1 ounce of marijuana . ~~{for medical purposes that exceeds the limits set forth in NRS 453A.200.}~~

~~—3.~~ (c) That, posted clearly and conspicuously within the dispensary, are the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.

~~{4.}~~ (d) That, posted clearly and conspicuously within the dispensary, is a sign stating unambiguously the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.

(e) *That only persons who are at least 21 years of age or hold a registry identification card or letter of approval are allowed to enter the premises of the medical marijuana dispensary.*

2. *A medical marijuana dispensary may, but is not required to, track the purchases of marijuana for medical purposes by any person to ensure that the person does not exceed the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200. The Department shall not adopt a regulation or in any other way require a medical marijuana dispensary to track the purchases of a person or determine whether the person has exceeded the legal limits on the possession of marijuana for medical purposes, as set forth in NRS 453A.200.*

3. *A medical marijuana dispensary which is a dual licensee, as defined in NRS 453D.030, may, to the extent authorized by the regulations adopted by the Department pursuant to paragraph (k) of subsection 1 of NRS 453D.200, allow any person who is at least 21 years of age to enter the premises of the medical marijuana dispensary, regardless of whether such a person holds a valid registry identification card or letter of approval.*

Sec. 42. 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. 43. NRS 453A.364 is hereby amended to read as follows:

~~453A.364 [1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:~~

~~—(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;~~

~~—(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;~~

~~—(c) The nonresident card has an expiration date and has not yet expired;~~

~~—(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and~~

~~—(e) The holder or bearer of the nonresident card agrees to abide by, and does abide by, the legal limits on the possession of marijuana for medical purposes in this State, as set forth in NRS 453A.200.~~

~~2. For the purposes of the reciprocity described in this section:~~

~~—(a) The amount of medical marijuana that the holder or bearer of a nonresident card is entitled to possess in his or her state or jurisdiction of residence is not relevant; and~~

~~—(b) Under no circumstances, while in this State, may the holder or bearer of a nonresident card possess marijuana for medical purposes in excess of the limits set forth in NRS 453A.200.~~

~~3. As used in this section, "nonresident card" means a card or other identification that:~~

~~—(a) Is issued by a state or jurisdiction other than Nevada; and~~

~~—(b) Is the functional equivalent of a registry identification card or letter of approval, as determined by the Division.]~~

1. A person who is not a resident of this State, but who is authorized to engage in the medical use of marijuana under the laws of his or her state or jurisdiction of residence, is deemed to hold a valid registry identification card for the purpose of the exemption from state prosecution described in subsection 1 of NRS 453A.200 if the person abides by the legal limits on the possession, delivery and production of marijuana for medical purposes in this State, as set forth in NRS 453A.200.

2. A medical marijuana dispensary may dispense marijuana to a person described in subsection 1 if the person presents to the medical marijuana dispensary any document which is valid to prove the authorization of the person to engage in the medical use of marijuana under the laws of his or her state or jurisdiction of residence. Such documentation may include, without limitation, written documentation from a physician or other provider

of health care if, under the laws of the person's state or jurisdiction of residence, written documentation from a physician or other provider of health care is sufficient to exempt the person from prosecution for engaging in the medical use of marijuana.

Sec. 44. 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. 45. 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~~ :

(a) 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)~~ (1) The concentration therein of THC and cannabidiol.

~~(b)~~ (2) The presence and identification of molds and fungus.

~~(c)~~ (3) The composition of the tested material.

~~(d)~~ (4) The presence of chemicals in the tested material, including, without limitation, pesticides, herbicides or growth regulators.

(b) Demonstrate the validity and accuracy of the methods used by the independent testing laboratory to test marijuana, edible marijuana products and marijuana-infused products.

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.

(c) Agree to become accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization within 1 year after certification.

Sec. 46. 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. 47. 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 ~~{:~~

~~—(a) To~~ to ensure that the fees imposed pursuant to NRS 453A.344 are, insofar as may be practicable, revenue neutral . ~~{; and~~

~~—(b) To reflect gifts and grants received by the Division pursuant to NRS 453A.720.}~~

4. Set forth the amount of usable marijuana that a medical marijuana dispensary may dispense to a person who holds a valid registry identification card, 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}~~ applicable professional licensing boards, establish a system to:

(a) Register and track attending ~~[physicians]~~ *providers of health care* 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]~~ *provider of health care* described in paragraph (a) makes such an advisement; and

(c) Provide for the progressive discipline of attending ~~[physicians]~~ *providers of health care* who advise the medical use of marijuana at a rate at which the *Department, in consultation with the Division* , and ~~[Board]~~ *applicable 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. Determine whether any provision of NRS 453A.350 or 453A.352 would make the operation of a medical marijuana establishment or marijuana establishment, as defined in NRS 453D.030, by a dual licensee, as defined in NRS 453D.030, unreasonably impracticable, as defined in NRS 453D.030.

10. Address such other matters as may assist in implementing the program of dispensation contemplated by NRS 453A.320 to 453A.370, inclusive.

Sec. 48. 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. 49. NRS 453A.500 is hereby amended to read as follows:

453A.500 The ~~{Board of Medical Examiners or the State Board of Osteopathic Medicine, as}~~ applicable ~~{}~~ professional licensing boards shall not take any disciplinary action against an attending ~~{physician}~~ provider of health care on the basis that the attending ~~{physician}~~ provider of health care:

1. ~~{Advised}~~ *Regardless of whether the person is a resident of this State, advised* a person whom the attending ~~{physician}~~ provider of health care has diagnosed as having a chronic or debilitating medical condition, or a person whom the attending ~~{physician}~~ provider of health care knows has been so diagnosed by another ~~{physician}~~ provider of health care licensed ~~{to practice medicine}~~ or certified pursuant to the ~~{provisions of chapter 630 of NRS or licensed to practice osteopathic medicine pursuant to the provisions of chapter 633 of NRS;}~~ law of this State:

(a) About the possible risks and benefits of the medical use of marijuana;
or

(b) That the medical use of marijuana may mitigate the symptoms or effects of the person's chronic or debilitating medical condition,
➔ if the advice is based on the attending ~~{physician's}~~ provider of health care's personal assessment of the person's medical history and current medical condition.

2. *Provided or maintained the written documentation or signature, as applicable, required pursuant to paragraph (a) of subsection 2 of NRS 453A.210 for the issuance of a registry identification card or letter of approval or pursuant to subparagraph (1) of paragraph (b) of subsection 1 of NRS 453A.230 for the renewal of a registry identification card or letter of approval, or any similar documentation required for the person to be authorized to engage in the medical use of marijuana pursuant to the laws of another state or jurisdiction, if:*

(a) Such documentation is based on the attending ~~physician's~~ provider of health care's personal assessment of the person's medical history and current medical condition; and

(b) The ~~physician~~ attending provider of health care has advised the person about the possible risks and benefits of the medical use of marijuana.

Sec. 50. (Deleted by amendment.)

Sec. 51. 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~~ provider of health care; 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. 52. (Deleted by amendment.)

Sec. 53. 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 ~~[-]~~ *governing the issuance of registry 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. 54. 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 ~~[-] 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 ~~[-] 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

(3) Research performed by an institution of the Nevada System of Higher Education on services relating to alcohol and drug abuse; 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. 55. 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 ~~[-] 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 ~~fees~~:

~~—(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] processing and issuing a registry identification card or letter of approval, which [fee] must not exceed [\$75.] :~~

(a) For a registry identification card or letter of approval which is valid for 1 year, \$50.

(b) For a registry identification card or letter of approval which is valid for 2 years, \$100.

Sec. 56. (Deleted by amendment.)

Sec. 56.5. Chapter 453D of NRS is hereby amended by adding thereto the provisions set forth as sections 56.7 and 56.9 of this act.

Sec. 56.7. *A marijuana establishment shall not dispense or otherwise sell marijuana or marijuana products from a vending machine or allow such a vending machine to be installed at the interior or exterior of the premises of the marijuana establishment.*

Sec. 56.9. 1. *When conducting a background check pursuant to subsection 6 of NRS 453D.200, the Department may require each prospective owner, officer and board member of a marijuana establishment license applicant to submit a complete set of fingerprints and written permission authorizing the 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.*

2. *When determining the criminal history of a person pursuant to paragraph (c) of subsection 1 of NRS 453D.300, a marijuana establishment may require the person to submit to the Department a complete set of fingerprints and written permission authorizing the 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.*

Sec. 57. (Deleted by amendment.)

Sec. 58. (Deleted by amendment.)

Sec. 58.5. NRS 212.160 is hereby amended to read as follows:

212.160 1. A person, who is not authorized by law, who knowingly furnishes, attempts to furnish, or aids or assists in furnishing or attempting to furnish to a prisoner confined in an institution of the Department of Corrections, or any other place where prisoners are authorized to be or are assigned by the Director of the Department, any deadly weapon, explosive, a facsimile of a firearm or an explosive, any controlled substance or intoxicating liquor, shall be punished:

(a) Where a deadly weapon, controlled substance, explosive or a facsimile of a firearm or explosive is involved, for a category B felony by

imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

(b) Where an intoxicant is involved, for a gross misdemeanor.

2. Knowingly leaving or causing to be left any deadly weapon, explosive, facsimile of a firearm or explosive, controlled substance or intoxicating liquor where it may be obtained by any prisoner constitutes, within the meaning of this section, the furnishing of the article to the prisoner.

3. A prisoner confined in an institution of the Department of Corrections, or any other place where prisoners are authorized to be or are assigned by the Director of the Department, who possesses a controlled substance without lawful authorization *or marijuana or marijuana paraphernalia, regardless of whether the person holds a valid registry identification card to engage in the medical use of marijuana pursuant to chapter 453A of NRS*, is guilty of a category D felony and shall be punished as provided in NRS 193.130.

Sec. 59. (Deleted by amendment.)

Sec. 60. (Deleted by amendment.)

Sec. 61. (Deleted by amendment.)

Sec. 62. (Deleted by amendment.)

Sec. 63. (Deleted by amendment.)

Sec. 64. (Deleted by amendment.)

Sec. 65. (Deleted by amendment.)

Sec. 65.5. (Deleted by amendment.)

Sec. 65.6. Chapter 244 of NRS is hereby amended by adding thereto 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. 65.65. 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 65.6 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. 65.7. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

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. 65.75. 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 65.7 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. 65.8. 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. 65.85. 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 65.8 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. 65.9. Chapter 372A of NRS is hereby amended by adding thereto the provisions set forth as sections 65.93 and 65.95 of this act.

Sec. 65.93. 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. 65.95. 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. 65.97. NRS 372A.200 is hereby amended to read as follows:

372A.200 As used in NRS 372A.200 to 372A.380, inclusive, and sections 65.93 and 65.95 of this act, unless the context otherwise requires, the words and terms defined in NRS 372A.210 to 372A.250, inclusive, and section 65.93 of this act have the meanings ascribed to them in those sections.

Sec. 65.98. 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 2 percent of the sales price 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 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 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, 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, 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. The revenues collected from the excise taxes imposed pursuant to subsections 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.

(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~~ Department in carrying out the provisions of NRS 453A.320 to 453A.370, inclusive.

5. As used in this section:

(a) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(b) "Marijuana-infused products" has the meaning ascribed to it in NRS 453A.112.

(c) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 65.99. NRS 586.550 is hereby amended to read as follows:

586.550 1. A marijuana establishment or medical marijuana establishment may use a pesticide in the cultivation and production of marijuana, edible marijuana products, marijuana products and marijuana-infused products if the pesticide:

(a) Is exempt from registration pursuant to 40 C.F.R. § 152.25 or allowed to be used on Crop Group 19, as defined in 40 C.F.R. § 180.41(c)26, hops or unspecified crops or plants;

(b) Has affixed a label which allows the pesticide to be used at the intended site of application; and

(c) Has affixed a label which allows the pesticide to be used on crops and plants intended for human consumption.

2. The State Department of Agriculture shall, in accordance with the provisions of this chapter, establish and publish a list of pesticides allowed to be used on marijuana or medical marijuana pursuant to this section and accept requests from pesticide manufacturers, marijuana establishments and medical marijuana establishments, or a representative thereof, to add pesticides to the list.

3. As used in this section:

(a) "Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.

(b) "Marijuana" has the meaning ascribed to it in NRS 453A.110.

(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.

~~(d)~~ (f) "Medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 66. 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, as amended by section 37 of this act, 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. 66.5. 1. Notwithstanding the provisions of NRS 453A.322, as amended by section 27 of this act, a person who obtains a medical marijuana establishment registration certificate for the operation of an independent testing laboratory before July 1, 2017:

(a) May renew his or her medical marijuana establishment registration certificate upon:

(1) Resubmission of the information set forth in NRS 453A.322; and

(2) Payment of the renewal fee set forth in NRS 453A.344; and

(b) Shall obtain accreditation pursuant to standard ISO/IEC 17025 of the International Organization for Standardization on or before January 1, 2019.

2. The Department of Taxation shall revoke the medical marijuana establishment registration certificate of an independent testing laboratory described in subsection 1 which fails to obtain the accreditation described in paragraph (b) of subsection 1 on or before January 1, 2019.

Sec. 67. 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 68 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.

4. As used in this section, "medical marijuana establishment" has the meaning ascribed to it in NRS 453A.116.

Sec. 68. 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. 69. ~~[Section]~~ Sections 22.3 and 24.9 of chapter 547, Statutes of Nevada 2013, at ~~[page]~~ pages 3718 and 3728, ~~are~~ respectively, are hereby repealed.

Sec. 70. 1. This section and sections 56.5 and 56.9 of this act become effective upon passage and approval.

2. Sections 1 to 56, inclusive, and 57 to 69, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of adopting any regulations and performing any preparatory administrative tasks necessary to carry out the provisions of this act; and

(b) On July 1, 2017, for all other purposes.

2. Section 56.7 of this act becomes effective on January 1, 2020.

TEXT OF REPEALED ~~[SECTION]~~ SECTIONS OF STATUTES OF
NEVADA

Section 22.3 of chapter 547, Statutes of Nevada 2013, at page 3718:

Sec. 22.3. NRS 453A.200 is hereby amended to read as follows:

453A.200 1. Except as otherwise provided in this section and NRS 453A.300, a person who holds a valid registry identification card issued to the person pursuant to NRS 453A.220 or 453A.250 is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

2. In addition to the provisions of subsections 1 and 5, no person may be subject to state prosecution for constructive possession, conspiracy or any other criminal offense solely for being in the presence or vicinity of the medical use of marijuana in accordance with the provisions of this chapter.

3. The exemption from state prosecution set forth in subsection 1 applies only to the extent that a person who holds a registry identification card issued to the person pursuant to paragraph (a) of subsection 1 of NRS 453A.220 and the designated primary caregiver, if any, of such a person:

- (a) Engage in or assist in, as applicable, the medical use of marijuana in accordance with the provisions of this chapter as justified to mitigate the symptoms or effects of the person's chronic or debilitating medical condition; and

- (b) Do not, at any one time, collectively 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 section 10 of this act or a valid medical marijuana establishment agent registration card issued to the person pursuant to section 13 of this act, and who confines his or her activities to those authorized by sections 10 to 20, inclusive, of this act and the regulations adopted by the Division pursuant thereto, is exempt from state prosecution for:

- (a) Possession, delivery or production of marijuana;
- (b) Possession or delivery of paraphernalia;
- (c) Aiding and abetting another in the possession, delivery or production of marijuana;
- (d) Aiding and abetting another in the possession or delivery of paraphernalia;
- (e) Any combination of the acts described in paragraphs (a) to (d), inclusive; and
- (f) Any other criminal offense in which the possession, delivery or production of marijuana or the possession or delivery of paraphernalia is an element.

6. Notwithstanding any other provision of law and except as otherwise provided in this subsection, after a medical marijuana dispensary opens in the county of residence of a person who holds a registry identification card or his or her designated primary caregiver, if any, such persons are 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 or his or her designated primary caregiver, if any, was cultivating, growing or producing marijuana in accordance with this chapter on or before July 1, 2013;~~

~~—(b)}~~ All the medical marijuana dispensaries in the county of residence of the person who holds the registry identification card or his or her designated primary caregiver, if any, close or are unable to supply the quantity or strain of marijuana necessary for the medical use of the person to treat his or her specific medical condition;

~~{(c)}~~ (b) Because of illness or lack of transportation, the person who holds the registry identification card and his or her designated primary caregiver, if any, are unable reasonably to travel to a medical marijuana dispensary; or

~~{(d)}~~ (c) 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. 24.9. Section 19.5 of this act is hereby amended to read as follows:

Sec. 19.5 1. The State of Nevada and the medical marijuana dispensaries in this State which hold valid medical marijuana establishment registration certificates will recognize a nonresident card only under the following circumstances:

(a) The state or jurisdiction from which the holder or bearer obtained the nonresident card grants an exemption from criminal prosecution for the medical use of marijuana;

(b) The state or jurisdiction from which the holder or bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a physician advise the person that the medical use of marijuana may mitigate the symptoms or effects of the person's medical condition;

(c) The nonresident card has an expiration date and has not yet expired;

~~(d) The holder or bearer of the nonresident card signs an affidavit in a form prescribed by the Division which sets forth that the holder or bearer is entitled to engage in the medical use of marijuana in his or her state or jurisdiction of residence; and~~

~~—(e) state or jurisdiction from which the holder or bearer obtained the nonresident card maintains a database which preserves such information as may be necessary to verify the authenticity or validity of the nonresident card;~~

(e) The state or jurisdiction from which the holder or bearer obtained the nonresident card allows the Division and medical marijuana dispensaries in this State to access the database described in paragraph (d);

(f) The Division determines that the database described in paragraph (d) is able to provide to medical marijuana dispensaries in this State information that is sufficiently accurate, current and specific as to allow those dispensaries to verify that a person who holds or bears a nonresident card is entitled lawfully to do so; and

(g) 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, as determined by the Division.

Senator Segerblom moved the adoption of the amendment.

Remarks by Senator Segerblom.

Assembly Bill No. 422 deals strictly with the medical marijuana program. Amendment No. 1115 changes "attending physician" to "attending provider of health care" to create the same definition for providers who deal with long-term illnesses and requires that an independent testing laboratory must be accredited. It requires the Department of Taxation to consider diversity. It defines "sales price" for the purposes of the bill; prohibits excessive or impracticable regulations on dual license holders; prohibits a local government from enacting or enforcing any ordinance that is more restrictive than State law, and requires medical marijuana establishments to install video systems which was requested by the police.

It authorizes the use of excess program funds to be used by the Nevada System of Higher Education which was requested by one of our colleagues for research on alcohol and drug abuse; adds a cap of 3 percent of gross revenue for taxes and fees that local governments can charge; redirects funds from the Division of Public and Behavioral Health to the Department of Taxation, and repeals portions of NRS 453A.200 concerning the ability of a valid medical marijuana registry card holder to cultivate marijuana.

Amendment adopted.

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

GENERAL FILE AND THIRD READING

Senate Bill No. 257.

Bill read third time.

The following amendment was proposed by the Committee on Finance:

Amendment No. 1140.

SUMMARY—Revises provisions relating to the welfare of children.
(BDR 38-662)

AN ACT relating to children; ~~requiring the State Plan for Temporary Assistance for Needy Families to authorize certain assistance to be provided to a person who provides certain care for a child to whom he or she is not related;~~ expanding the rights of children placed in foster care; creating the Normalcy for Foster Youth Account in the State General Fund; authorizing money in the Account to be used to provide opportunities for children to participate in certain activities; providing civil and criminal immunity to a person with whom a child has been placed who acts in accordance with certain standards in approving or allowing the child to participate in certain activities; ~~requiring the Division of Child and Family Services of the Department of Health and Human Services to hire a consultant to conduct a study of the child welfare system in this State; making appropriations;~~ and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~[Existing law requires the Director of the Department of Health and Human Services to adopt state plans required by the Federal Government for the administration of public assistance programs, including the State Plan for Temporary Assistance for Needy Families. (NRS 422A.080, 422A.260) Section 1 of this bill requires the Director to include in the State Plan for~~

~~Temporary Assistance for Needy Families the provision of child only assistance for a caregiver who is caring for a child as a foster parent and who is not related by blood to the child but has a significant emotional and positive relationship with the child.]~~

Existing law affords specific rights to children who are placed in a foster home by an agency which provides child welfare services. (NRS 432.500-432.550) Section 2.5 of this bill adds the right, with respect to the education and vocational training of a foster child, for a foster child to have reasonable access to participate in extracurricular, cultural and personal enrichment activities. Section 4 of this bill creates the Normalcy for Foster Youth Account in the State General Fund to be administered by the Division of Child and Family Services of the Department of Health and Human Services. ~~[, and section 7 of this bill appropriates \$500,000 from the State General Fund to the Account.]~~ Section 4 authorizes the Division to use money in the Account to provide monetary support to certain caregivers of foster children to allow the child to participate in extracurricular, cultural and personal enrichment activities. Section 4 also authorizes the Division to award grants to agencies which provide child welfare services or nonprofit organizations that provide opportunities for such children to participate in extracurricular, cultural and personal enrichment activities. Section 5 of this bill provides civil and criminal immunity for a person with whom a child has been placed when approving or allowing the child to participate in extracurricular, cultural and personal enrichment activities if the person acted in accordance with a standard based on the "reasonable and prudent parent standard" as it is defined in federal law. (42 U.S.C. § 675(10)(A))

~~[Section 6 of this bill makes an appropriation from the State General Fund of \$28,250,000 to the Division of Child and Family Services of the Department of Health and Human Services to replace the Unified Nevada Information Technology for Youth (UNITY) case management system. Section 8 of this bill makes an appropriation from the State General Fund of \$200,000 to the Division to enter into a contract with an independent consultant to conduct a study of funding for the child welfare system in this State.]~~

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

Section 1. ~~[Chapter 422A of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~—The Director shall, to the extent authorized by federal law, include in the State Plan for Temporary Assistance for Needy Families adopted pursuant to NRS 422A.260 provisions for the payment of child only assistance to a fictive kin caregiver on behalf of a child who has been placed with the fictive kin caregiver pursuant to chapter 432B of NRS if all applicable conditions of eligibility are met. As used in this section, "fictive kin" means a person who is not related by blood to a child but has a significant emotional and positive relationship with the child.] (Deleted by amendment.)~~

Sec. 2. (Deleted by amendment.)

Sec. 2.5. NRS 432.535 is hereby amended to read as follows:

432.535 With respect to the education and vocational training of a child placed in a foster home by an agency which provides child welfare services, the child has the right:

1. To receive fair and equal access to an education, including, without limitation, the right:

(a) To receive an education as required by law;

(b) To have stability in and minimal disruption to his or her education when the child is placed in a foster home;

(c) To attend the school and remain in the scholastic activities that he or she was enrolled in before placement in a foster home, to the extent practicable and if in the best interests of the child;

(d) To have educational records transferred in a timely manner from the school that he or she was enrolled in before placement in a foster home to a new school, if any;

(e) Not to be identified as a foster child to other students at his or her school by an employee of a school district, including, without limitation, a school administrator, teacher or instructional aide;

(f) To receive any educational screening, assessment or testing required by law;

(g) To be referred to and receive educational evaluation and services as soon as practicable after the need for such services has been identified, including, without limitation, access to special education and special services to meet the unique needs of a child with educational or behavioral disabilities or impairments that adversely affect the child's educational performance;

(h) To have access to information regarding relevant educational opportunities, including, without limitation, course work for vocational and postsecondary educational programs and financial aid for postsecondary education, once the child is 16 years of age or older; and

(i) To attend a class or program concerning independent living for which he or she is qualified that is offered by the agency which provides child welfare services or another agency or contractor of the State.

2. To ~~participate~~ *reasonable participation* in extracurricular, cultural and personal enrichment activities which are consistent with the age and developmental level of the child.

3. To work and to receive vocational training, to the extent permitted by statute and consistent with the age and developmental level of the child.

4. To have access to transportation, if practicable, to allow the child to participate in extracurricular, cultural, personal and work activities.

Sec. 3. Chapter 432B of NRS is hereby amended by adding thereto the provisions set forth as sections 4 and 5 of this act.

Sec. 4. 1. *The Normalcy for Foster Youth Account is hereby created in the State General Fund.*

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

3. The Division of Child and Family Services may use money in the Account to:

(a) Provide monetary support to a provider of foster care who provides opportunities to a child in his or her care to participate in extracurricular, cultural or personal enrichment activities; and

(b) Award grants to agencies which provide child welfare services or nonprofit organizations that provide opportunities to children in foster care to participate in extracurricular, cultural or personal enrichment activities.

4. The Division of Child and Family Services may accept gifts, grants, bequests and other contributions from any source for the purpose of carrying out the provisions of this section.

5. Any money remaining in the Account at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

Sec. 5. 1. Except as otherwise provided in subsection 2, a person with whom a child has been placed pursuant to this chapter is immune from civil or criminal liability for approving or allowing the child to participate in extracurricular, cultural or personal enrichment activities if, in approving or allowing the child to participate in such activities, the person acted as a reasonable and prudent parent would have acted under the same circumstances to maintain the health, safety and best interests of the child while at the same time encouraging the emotional and developmental growth of the child.

2. The provisions of subsection 1 do not confer any immunity from civil or criminal liability for a person who violates an order of a court of competent jurisdiction.

Sec. 6. ~~{1. There is hereby appropriated from the State General Fund to the Division of Child and Family Services of the Department of Health and Human Services the sum of \$28,250,000 for the replacement of the Unified Nevada Information Technology for Youth case management system with a new child welfare case management system.~~

~~2. Any remaining balance of the appropriation made by this section must not be committed for expenditure after June 30, 2022, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 16, 2022, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 16, 2022.} (Deleted by amendment.)~~

Sec. 7. ~~{1. There is hereby appropriated from the State General Fund to the Normalcy for Foster Youth Account created by section 4 of this act the sum of \$500,000.~~

~~2. Any remaining balance of the appropriation made by this section must not be committed for expenditure after June 30, 2019, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 20, 2019, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 20, 2019.] (Deleted by amendment.)~~

Sec. 8. ~~{1. There is hereby appropriated from the State General Fund to the Division of Child and Family Services of the Department of Health and Human Services the sum of \$200,000 for the Administrator of the Division to enter into a contract with a qualified, independent consultant to conduct a study of the funding of the child welfare system in this State.~~

~~2. The consultant shall conduct an analysis of:~~

~~(a) The current block grant model of funding of agencies which provide child welfare services, including a determination of whether such block grant funding is appropriate and sufficient to meet the needs of agencies which provide child welfare services and what other funding models, if any, would be more appropriate funding mechanisms;~~

~~(b) Potential sources of funding to support agencies which provide child welfare services in this State; and~~

~~(c) Sources of funding, including, without limitation, federal, state, local and private programs, for programs that support the welfare of children in this State, including, without limitation, funding for medical care, mental health and substance abuse treatment, education, juvenile justice and child care.~~

~~3. On or before September 1, 2018, the consultant hired pursuant to subsection 1 shall submit a report of the results of the study required pursuant to subsection 1 and any recommendations for legislation to the Director of the Department of Health and Human Services. Upon receipt of the report, the Director of the Department shall transmit the report to the Director of the Legislative Counsel Bureau for transmittal to the 80th Session of the Nevada Legislature.~~

~~4. Any remaining balance of the appropriation made by this section must not be committed for expenditure after June 30, 2019, by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 20, 2019, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 20, 2019.] (Deleted by amendment.)~~

Sec. 9. This act becomes effective on July 1, 2017.

Senator Woodhouse moved the adoption of the amendment.

Remarks by Senator Woodhouse.

Amendment No.1140 to Senate Bill No. 257 removes the requirement for the Director of the Department of Health and Human Services to include in the State Plan for Temporary Assistance for Needy Families the provision of child-only assistance for a caregiver who is caring for a child as a foster parent and who is not related by blood to the child but has a significant emotional and positive relationship with the child; removes an appropriation from the State General Fund of \$28 million to the Division of Child and Family Services of the Department of Health and Human Services to replace the Unified Nevada Information Technology for Youth (UNITY) case-management system; removes an appropriation from the State General Fund of \$500,000 to the Normalcy for Foster Youth Account, and removes an appropriation from the State General Fund of \$200,000 to the Division of Child and Family Services to enter into a contract with an independent consultant to conduct a study of funding for the child-welfare system in this State.

Amendment adopted.**Bill read third time.****Remarks by Senator Farley.**

Senate Bill No. 257 adds the right for a foster child to have reasonable access to participate in extracurricular cultural and personal enrichment activities. The measure also provides civil and criminal immunity for a person with whom a child has been placed when approving or allowing the child to participate in extracurricular cultural and personal enrichment activities if the person acted in accordance with a standard based on the "reasonable and prudent parent standard" as it is defined in federal law.

Additionally, this bill creates the Normalcy for Foster Youth Account in the State General Fund to be administered by the Division of Child and Family Services of the Department of Health and Human Services and allows the Division to accept gifts, grants, bequests and other contributions for the Account. Finally, this measure authorizes the Division to use money in the Account to provide monetary support for caregivers of foster children and award grants to agencies which provide child-welfare services to allow the children to participate in extracurricular cultural and personal enrichment activities.

Roll call on Senate Bill No. 257:

YEAS—21.

NAYS—None.

Senate Bill No. 257 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 414.**Bill read third time.****Remarks by Senator Segerblom.**

Assembly Bill No. 414 requires that a law enforcement agency make an electronic recording of a custodial interrogation of a person who is suspected of committing homicide or sexual assault. An electronic recording is not required to be made under certain circumstances, such as in the police car, but if the person is in the police station or jail, an electronic recording would be required. This is consistent with federal law and federal law practice.

The bill also provides that evidence from an interrogation may be admitted by a court even in the absence of an electronic recording of the interrogation and sets forth the conditions under which a jury must be provided with a cautionary instruction. Finally, the measure requires each law enforcement agency to adopt policies and procedures governing the electronic recording of custodial interrogations.

Roll call on Assembly Bill No. 414:

YEAS—3.

NAYS—Atkinson, Cancela, Cannizzaro, Farley, Gansert, Goicoechea, Gustavson, Hammond, Hardy, Harris, Kieckhefer, Manendo, Parks, Ratti, Roberson, Settlemeyer, Spearman, Woodhouse—18.

Assembly Bill No. 414 having failed to receive a constitutional majority, Mr. President declared it lost.

Assembly Bill No. 207.

Bill read third time.

Remarks by Senators Goicoechea and Roberson.

SENATOR GOICOECHEA:

The permissive language in the bill relates to NRS 6.045 and 6.090. The change in the law will not affect rural counties as only two counties truly have jury commissioners under the law. Rural counties have jury commissioners, but they are appointed by the judge or the county. True jury commissioners under NRS 6.090 are only in counties over 100,000.

SENATOR ROBERSON:

I rise in support of Assembly Bill No. 207.

Roll call on Assembly Bill No. 207:

YEAS—20.

NAYS—Hardy.

Assembly Bill No. 207 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. 124.

The following Assembly amendment was read:

Amendment No. 1083.

SUMMARY—Revises provisions concerning the ownership, possession and control of firearms by certain persons. (BDR 3-307)

AN ACT relating to firearms; revising provisions concerning the surrender, sale or transfer of any firearm by an adverse party subject to an extended order for protection against domestic violence; requiring a person convicted of a battery which constitutes domestic violence and a person convicted of stalking in certain circumstances to permanently surrender, sell or transfer any such firearm; adding additional persons to the list of persons who are prohibited from owning or having in their possession or under their custody or control any firearm; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a court to include in an extended order for protection against domestic violence: (1) a requirement that the adverse party surrender, sell or transfer any firearm in his or her possession or under his or her custody or control; and (2) a prohibition on the adverse party against

possessing or having under his or her custody or control any firearm while the order is in effect. (NRS 33.031) Existing law also authorizes the court to include in such an extended order a limited exception from the prohibition to possess or have under the adverse party's custody or control any firearm if the adverse party establishes certain facts relating to the necessity of using or possessing a firearm for purposes of his or her employment. (NRS 33.031) Section 1 of this bill adds the requirement that the adverse party establish that he or she only uses or possesses the firearm in the course of his or her employment. Additionally, existing law makes an adverse party who violates any provision included in an extended order for protection against domestic violence concerning the surrender, sale, transfer, possession, custody or control of a firearm guilty of a gross misdemeanor. (NRS 33.031) Section 1 increases the crime to a category B felony.

Section 2 of this bill ~~revises the methods by which~~ provides that if an adverse party who is ordered to surrender, sell or transfer any firearm pursuant to an extended order for protection against domestic violence ~~may do so by removing the option to surrender a firearm to a person designated by the court. Section 2 provides that an adverse party who~~ does not have any firearm to surrender, sell or transfer, the adverse party must submit an affidavit to the court stating that fact. Section 2 additionally provides that if an adverse party sells or transfers a firearm to a licensed firearm dealer, the licensed firearm dealer is required to provide the adverse party with a receipt containing certain information regarding the sale or transfer.

Section 3 of this bill provides that in every judgment of conviction or admonishment of rights issued for a battery which constitutes domestic violence, the court must inform the person convicted that he or she is prohibited from owning, possessing or having under his or her custody or control any firearm, and order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or has in his or her possession or under his or her custody or control. Section 4 of this bill requires a court to include a finding ~~on~~ in the judgment of conviction or admonishment of rights of a person convicted of stalking if the court determines the victim has an ongoing, reasonable fear of physical harm and the convicted person has a relationship with the victim that also makes the act domestic violence. If such a finding is entered ~~on~~ in the judgment of conviction ~~or~~ or admonishment of rights, section 4 prohibits the convicted person from owning, possessing or having under his or her custody or control any firearm. Sections 3 and 4 also provide that a person who violates a provision included in a judgment of conviction or admonishment of rights issued for a battery which constitutes domestic violence or stalking relating to owning, possessing or taking other actions relating to a firearm is guilty of a category B felony.

Existing law prohibits certain persons from owning or having in their possession or under their custody or control any firearm. A person who violates such a provision is guilty of a category B felony. (NRS 202.360) Section 7 of this bill adds to such a list of persons: (1) a person who has been

convicted of stalking pursuant to Nevada law or a substantially similar law of any other state and the court has entered a finding ~~for~~ in the judgment of conviction or admonishment of rights described above; and (2) a person currently subject to an extended order for protection against domestic violence in this State or an equivalent order in any other state. Section 5 of this bill requires such a person to surrender, sell or transfer any firearm that the person owns, possesses or has under his or her custody or control, and sets forth the procedure relating to the surrender, sale or transfer of any such firearm.

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

Section 1. NRS 33.031 is hereby amended to read as follows:

33.031 1. A court may include in an extended order issued pursuant to NRS 33.030:

(a) A requirement that the adverse party surrender, sell or transfer any firearm in the adverse party's possession or under the adverse party's custody or control in the manner set forth in NRS 33.033; and

(b) A ~~prohibition on~~ *statement that, unless the provisions of subsection 3 apply, the adverse party ~~against~~ is prohibited from possessing or having under the adverse party's custody or control any firearm while the order is in effect ~~[-] pursuant to NRS 202.360.~~*

2. In determining whether to include the provisions set forth in subsection 1 in an extended order, the court must consider, without limitation, whether the adverse party:

(a) Has a documented history of domestic violence;

(b) Has used or threatened to use a firearm to injure or harass the applicant, a minor child or any other person; and

(c) Has used a firearm in the commission or attempted commission of any crime.

3. If a court includes the provisions set forth in subsection 1 in an extended order, the court may include a limited exception from the prohibition to possess or have under the adverse party's custody or control any firearm if the adverse party establishes that:

(a) The adverse party is employed by an employer who requires the adverse party to use or possess a firearm as an integral part of the adverse party's employment; ~~and~~

(b) *The adverse party only uses or possesses the firearm in the course of such employment; and*

(c) The employer will provide for the storage of any such firearm during any period when the adverse party is not working.

4. An adverse party who violates any provision included in an extended order pursuant to this section concerning the surrender, sale, transfer, possession, custody or control of a firearm is guilty of a ~~gross misdemeanor.~~ *If the court includes any such provision in an extended order, the category B felony and shall be punished by imprisonment in the state prison for a*

minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the order a statement that violation of such a provision in the order is a ~~[gross misdemeanor]~~ category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

Sec. 2. NRS 33.033 is hereby amended to read as follows:

33.033 1. If a court orders an adverse party to surrender , *sell or transfer* any firearm pursuant to NRS 33.031, the adverse party shall, not later than 24 hours after service of the order:

(a) Surrender any firearm in the adverse party's possession or under the adverse party's custody or control to the appropriate local law enforcement agency designated by the court in the order;

(b) Surrender any firearm in the adverse party's possession or under the adverse party's custody or control to a person designated by the court in the order; ~~for~~

(c) Sell or transfer any firearm in the adverse party's possession or under the adverse party's custody or control to a licensed firearm dealer ~~[-]~~ ; or

~~[(c)]~~ (d) Submit an affidavit:

(1) *Informing the court that he or she currently does not have any firearm in his or her possession or under his or her custody or control; and*

(2) *Acknowledging that failure to surrender, sell or transfer any firearm in his or her possession or under his or her custody or control is a violation of the extended order and state law.*

2. If the court orders the adverse party to surrender any firearm to a local law enforcement agency pursuant to paragraph (a) of subsection 1, the law enforcement agency shall provide the adverse party with a receipt which includes a description of each firearm surrendered and the *serial number of each firearm surrendered. The* adverse party shall, not later than 72 hours or 1 business day, whichever is later, after surrendering any such firearm, provide the receipt to the court.

3. If the court orders the adverse party to surrender any firearm to a person designated by the court pursuant to paragraph (b) of subsection 1, the adverse party shall, not later than 72 hours or 1 business day, whichever is later, after the adverse party surrenders any firearm to such person, provide to the court and the appropriate local law enforcement agency the name and address of the person designated in the order and a written description of each firearm surrendered and the serial number of each firearm surrendered to such person.

4. If the adverse party sells or transfers any firearm to a licensed firearm dealer ~~[that is subject to an order]~~ pursuant to paragraph (c) ~~[(c)]~~ of subsection 1 ~~[-, the]~~ :

(a) *The licensed firearm dealer shall provide the adverse party with a receipt which includes a description of each firearm sold or transferred , the*

serial number of each firearm sold or transferred and, if the firearm was transferred, whether the transfer is permanent or temporary; and

(b) The adverse party shall, not later than 72 hours or 1 business day, whichever is later, after such sale or transfer, provide *the receipt* to the court and the appropriate local law enforcement agency . ~~[a receipt of such sale or transfer and a written description of each firearm sold or transferred.]~~

~~5. 4.4~~ 5. If there is probable cause to believe that the adverse party has not surrendered, sold or transferred any firearm in the adverse party's possession or under the adverse party's custody or control within 24 hours after service of the order, the court may issue and deliver to any law enforcement officer a search warrant which authorizes the law enforcement officer to enter and search any place where there is probable cause to believe any firearm is located and seize the firearm.

~~6. 5.7~~ 6. A local law enforcement agency may charge and collect a fee from the adverse party for the collection and storage of a firearm pursuant to this section. The fee must not exceed the cost incurred by the local law enforcement agency to provide the service.

~~6.7~~ 7. A licensed firearm dealer may charge and collect a fee from the adverse party for the storage of a firearm pursuant to this section.

~~7.7~~ 8. As used in this section, "licensed firearm dealer" means a person licensed pursuant to 18 U.S.C. § 923(a).

Sec. 3. NRS 200.485 is hereby amended to read as follows:

200.485 1. Unless a greater penalty is provided pursuant to subsection 2 or NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018:

(a) For the first offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

(1) Imprisonment in the city or county jail or detention facility for not less than 2 days, but not more than 6 months; and

(2) Perform not less than 48 hours, but not more than 120 hours, of community service.

➔ The person shall be further punished by a fine of not less than \$200, but not more than \$1,000. A term of imprisonment imposed pursuant to this paragraph may be served intermittently at the discretion of the judge or justice of the peace, except that each period of confinement must be not less than 4 consecutive hours and must occur at a time when the person is not required to be at his or her place of employment or on a weekend.

(b) For the second offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

(1) Imprisonment in the city or county jail or detention facility for not less than 10 days, but not more than 6 months; and

(2) Perform not less than 100 hours, but not more than 200 hours, of community service.

➔ The person shall be further punished by a fine of not less than \$500, but not more than \$1,000.

(c) For the third and any subsequent offense within 7 years, is guilty of a category C felony and shall be punished as provided in NRS 193.130.

2. Unless a greater penalty is provided pursuant to NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, if the battery is committed by strangulation as described in NRS 200.481, is guilty of a category C felony and shall be punished as provided in NRS 193.130 and by a fine of not more than \$15,000.

3. In addition to any other penalty, if a person is convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, the court shall:

(a) For the first offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for not less than 6 months, but not more than 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

(b) For the second offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

➡ If the person resides in this State but the nearest location at which counseling services are available is in another state, the court may allow the person to participate in counseling in the other state in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

4. An offense that occurred within 7 years immediately preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of this section when evidenced by a conviction, without regard to the sequence of the offenses and convictions. The facts concerning a prior offense must be alleged in the complaint, indictment or information, must not be read to the jury or proved at trial but must be proved at the time of sentencing and, if the principal offense is alleged to be a felony, must also be shown at the preliminary examination or presented to the grand jury.

5. In addition to any other fine or penalty, the court shall order such a person to pay an administrative assessment of \$35. Any money so collected must be paid by the clerk of the court to the State Controller on or before the fifth day of each month for the preceding month for credit to the Account for Programs Related to Domestic Violence established pursuant to NRS 228.460.

6. In addition to any other penalty, the court may require such a person to participate, at his or her expense, in a program of treatment for the abuse of alcohol or drugs that has been certified by the Division of Public and Behavioral Health of the Department of Health and Human Services.

7. If it appears from information presented to the court that a child under the age of 18 years may need counseling as a result of the commission of a

battery which constitutes domestic violence pursuant to NRS 33.018, the court may refer the child to an agency which provides child welfare services. If the court refers a child to an agency which provides child welfare services, the court shall require the person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018 to reimburse the agency for the costs of any services provided, to the extent of the convicted person's ability to pay.

8. If a person is charged with committing a battery which constitutes domestic violence pursuant to NRS 33.018, a prosecuting attorney shall not dismiss such a charge in exchange for a plea of guilty, guilty but mentally ill or nolo contendere to a lesser charge or for any other reason unless the prosecuting attorney knows, or it is obvious, that the charge is not supported by probable cause or cannot be proved at the time of trial. A court shall not grant probation to and, except as otherwise provided in NRS 4.373 and 5.055, a court shall not suspend the sentence of such a person.

9. *In every judgment of conviction or admonishment of rights issued pursuant to this section, the court shall:*

(a) Inform the person convicted that he or she is prohibited from owning, possessing or having under his or her custody or control any firearm pursuant to NRS 202.360; and

(b) Order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or that is in his or her possession or under his or her custody or control in the manner set forth in section 5 of this act.

10. *A person who violates any provision included in a judgment of conviction or admonishment of rights issued pursuant to this section concerning the surrender, sale, transfer, ownership, possession, custody or control of a firearm is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the judgment of conviction or admonishment of rights a statement that a violation of such a provision in the judgment or admonishment is a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.*

11. As used in this section:

(a) "Agency which provides child welfare services" has the meaning ascribed to it in NRS 432B.030.

(b) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(c) "Offense" includes a battery which constitutes domestic violence pursuant to NRS 33.018 or a violation of the law of any other jurisdiction that prohibits the same or similar conduct.

Sec. 4. NRS 200.575 is hereby amended to read as follows:

200.575 1. A person who, without lawful authority, willfully or maliciously engages in a course of conduct that would cause a reasonable person to feel terrorized, frightened, intimidated, harassed or fearful for the immediate safety of a family or household member, and that actually causes the victim to feel terrorized, frightened, intimidated, harassed or fearful for the immediate safety of a family or household member, commits the crime of stalking. Except where the provisions of subsection 2 or 3 are applicable, a person who commits the crime of stalking:

(a) For the first offense, is guilty of a misdemeanor.

(b) For any subsequent offense, is guilty of a gross misdemeanor.

2. A person who commits the crime of stalking and in conjunction therewith threatens the person with the intent to cause the person to be placed in reasonable fear of death or substantial bodily harm commits the crime of aggravated stalking. A person who commits the crime of aggravated stalking shall be punished for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$5,000.

3. A person who commits the crime of stalking with the use of an Internet or network site, electronic mail, text messaging or any other similar means of communication to publish, display or distribute information in a manner that substantially increases the risk of harm or violence to the victim shall be punished for a category C felony as provided in NRS 193.130.

4. Except as otherwise provided in subsection 2 of NRS 200.571, a criminal penalty provided for in this section may be imposed in addition to any penalty that may be imposed for any other criminal offense arising from the same conduct or for any contempt of court arising from the same conduct.

5. *If the court finds that a person convicted of stalking pursuant to this section committed the crime against a person listed in subsection 1 of NRS 33.018 and that the victim has an ongoing, reasonable fear of physical harm, the court shall enter the finding in its judgment of conviction ~~for~~ or admonishment of rights.*

6. *If the court includes such a finding in a judgment of conviction or admonishment of rights issued pursuant to this section, the court shall:*

(a) *Inform the person convicted that he or she is prohibited from owning, possessing or having under his or her control or custody any firearm pursuant to NRS 202.360; and*

(b) *Order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or that is in his or her possession or under his or her custody or control in the manner set forth in section 5 of this act.*

7. *A person who violates any provision included in a judgment of conviction or admonishment of rights issued pursuant to this section concerning the surrender, sale, transfer, ownership, possession, custody or control of a firearm is guilty of a category B felony and shall be punished by*

imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the judgment of conviction or admonishment of rights a statement that a violation of such a provision in the judgment or admonishment is a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

8. The penalties provided in this section do not preclude the victim from seeking any other legal remedy available.

~~{6.}~~ 9. As used in this section:

(a) "Course of conduct" means a pattern of conduct which consists of a series of acts over time that evidences a continuity of purpose directed at a specific person.

(b) "Family or household member" means a spouse, a former spouse, a parent or other person who is related by blood or marriage or is or was actually residing with the person.

(c) "Internet or network site" has the meaning ascribed to it in NRS 205.4744.

(d) "Network" has the meaning ascribed to it in NRS 205.4745.

(e) ~~["Provider of Internet service" has the meaning ascribed to it in NRS 205.4758.~~

~~—(f)}~~ "Text messaging" means a communication in the form of electronic text or one or more electronic images sent from a telephone or computer to another person's telephone or computer by addressing the communication to the recipient's telephone number.

~~{(g)}~~ (f) "Without lawful authority" includes acts which are initiated or continued without the victim's consent. The term does not include acts which are otherwise protected or authorized by constitutional or statutory law, regulation or order of a court of competent jurisdiction, including, but not limited to:

(1) Picketing which occurs during a strike, work stoppage or any other labor dispute.

(2) The activities of a reporter, photographer, camera operator or other person while gathering information for communication to the public if that person is employed or engaged by or has contracted with a newspaper, periodical, press association or radio or television station and is acting solely within that professional capacity.

(3) The activities of a person that are carried out in the normal course of his or her lawful employment.

(4) Any activities carried out in the exercise of the constitutionally protected rights of freedom of speech and assembly.

Sec. 5. Chapter 202 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a person is prohibited from owning, possessing or having under his or her custody or control a firearm pursuant to NRS 202.360, the court in which the person is convicted shall order the person to surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to a designated law enforcement agency, a person designated by court order or a licensed firearm dealer, and the person shall, not later than 24 hours after service of the order:

(a) Surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to the appropriate local law enforcement agency designated by the court in the order;

(b) Surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to a person designated by the court in the order;

(c) Sell or transfer any firearm that the person owns or that is in his or her possession or under his or her custody or control to a licensed firearm dealer; or

~~[(c)]~~ (d) Submit an affidavit:

(1) Informing the court that he or she currently does not own or have any firearm in his or her possession or under his or her custody or control; and

(2) Acknowledging that failure to surrender, sell or transfer any firearm that he or she owns or has in his or her possession or under his or her custody or control is a violation of the order and state law.

2. If the court orders a person to surrender any firearm to a local law enforcement agency pursuant to paragraph (a) of subsection 1, the law enforcement agency shall provide the person with a receipt which includes a description of each firearm surrendered and the serial number of each firearm surrendered. The person shall, not later than 72 hours or 1 business day, whichever is later, after surrendering any such firearm, provide the receipt to the court.

3. If a person surrenders any firearm to a person designated by the court pursuant to paragraph (b) of subsection 1, the person who surrenders the firearm shall, not later than 72 hours or 1 business day, whichever is later, after the person surrenders any firearm to such person, provide to the court and the appropriate local law enforcement agency the name and address of the person designated in the order and a written description of each firearm surrendered and the serial number of each firearm surrendered to such person

4. If a person sells or transfers any firearm to a licensed firearm dealer pursuant to paragraph ~~(b)~~ (c) of subsection 1:

(a) The licensed firearm dealer shall provide the person with a receipt which includes a description of each firearm sold or transferred and the serial number of each firearm sold or transferred; and

(b) *The person shall, not later than 72 hours or 1 business day, whichever is later, after such sale or transfer, provide the receipt to the court and the appropriate local law enforcement agency.*

~~{4.}~~ 5. *If there is probable cause to believe that the person has not surrendered, sold or transferred any firearm that the person owns or in the person's possession or under the person's custody or control within 24 hours after service of the order, the court may issue and deliver to any law enforcement officer a search warrant which authorizes the law enforcement officer to enter and search any place where there is probable cause to believe any firearm is located and seize the firearm.*

~~{5.}~~ 6. *A local law enforcement agency may charge and collect a fee from the person for the collection of a firearm pursuant to this section. The fee must not exceed the cost incurred by the local law enforcement agency to provide the service.*

~~{6.}~~ 7. *As used in this section, "licensed firearm dealer" means a person licensed pursuant to 18 U.S.C. § 923(a).*

Sec. 6. NRS 202.253 is hereby amended to read as follows:

202.253 *As used in NRS 202.253 to 202.369, inclusive ~~{-}~~, and section 5 of this act:*

1. *"Explosive or incendiary device" means any explosive or incendiary material or substance that has been constructed, altered, packaged or arranged in such a manner that its ordinary use would cause destruction or injury to life or property.*

2. *"Firearm" means any device designed to be used as a weapon from which a projectile may be expelled through the barrel by the force of any explosion or other form of combustion.*

3. *"Firearm capable of being concealed upon the person" applies to and includes all firearms having a barrel less than 12 inches in length.*

4. *"Motor vehicle" means every vehicle that is self-propelled.*

Sec. 7. NRS 202.360 is hereby amended to read as follows:

202.360 1. *A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:*

(a) *Has been convicted in this State or any other state of a misdemeanor crime of domestic violence as defined in 18 U.S.C. § 921(a)(33);*

(b) *Has been convicted of a felony in this State or any other state, or in any political subdivision thereof, or of a felony in violation of the laws of the United States of America, unless the person has received a pardon and the pardon does not restrict his or her right to bear arms;*

(c) *Has been convicted of a violation of NRS 200.575 or a law of any other state that prohibits the same or substantially similar conduct and the court entered a finding ~~for~~ in the judgment of conviction or admonishment of rights pursuant to subsection 5 of NRS 200.575;*

(d) *Except as otherwise provided in NRS 33.031, is currently subject to ~~for~~:*

(1) An extended order for protection against domestic violence pursuant to NRS 33.017 to 33.100, inclusive, which includes a statement that the adverse party is prohibited from possessing or having under his or her custody or control any firearm, ~~and~~ while the order is in effect; or ~~and~~

(2) An equivalent order in any other state;

(e) Is a fugitive from justice;

~~((d))~~ (f) Is an unlawful user of, or addicted to, any controlled substance;

or

~~((e))~~ (g) Is otherwise prohibited by federal law from having a firearm in his or her possession or under his or her custody or control.

↪ A person who violates the provisions of this subsection is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

2. A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:

(a) Has been adjudicated as mentally ill or has been committed to any mental health facility by a court of this State, any other state or the United States;

(b) Has entered a plea of guilty but mentally ill in a court of this State, any other state or the United States;

(c) Has been found guilty but mentally ill in a court of this State, any other state or the United States;

(d) Has been acquitted by reason of insanity in a court of this State, any other state or the United States; or

(e) Is illegally or unlawfully in the United States.

↪ A person who violates the provisions of this subsection is guilty of a category D felony and shall be punished as provided in NRS 193.130.

3. As used in this section:

(a) "Controlled substance" has the meaning ascribed to it in 21 U.S.C. § 802(6).

(b) "Firearm" includes any firearm that is loaded or unloaded and operable or inoperable.

Sec. 8. 1. The provisions of NRS 33.031 and 33.033, as amended by sections 1 and 2 of this act, apply to an extended order issued pursuant to NRS 33.030 on or after October 1, 2017.

2. The provisions of NRS 200.485 and 200.575, as amended by sections 3 and 4 of this act, apply to a judgment of conviction or admonishment of rights issued on or after October 1, 2017.

3. The provisions of paragraph (c) of subsection 1 of NRS 202.360, as amended by section 7 of this act, apply to a judgment of conviction or admonishment of rights issued on or after October 1, 2017.

4. The provisions of paragraph (d) of subsection 1 of NRS 202.360, as amended by section 7 of this act, apply to an extended order issued pursuant to NRS 33.030 on or after October 1, 2017.

Senator Segerblom moved that the Senate concur in Assembly Amendment No. 1083 to Senate Bill No. 124.

Senator Roberson moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 10:08 p.m.

SENATE IN SESSION

At 10:12 p.m.

President Hutchison presiding.

Quorum present.

Senator Segerblom moved that the bill be taken from the Unfinished Business File and placed on the Unfinished Business File, last Agenda.

Motion carried.

Senate Bill No. 344.

The following Assembly amendments were read:

Amendment No. 881.

SUMMARY—Revises various provisions relating to the labeling, packaging and advertising of marijuana. (BDR 40-451)

AN ACT relating to marijuana; revising standards for the labeling and packaging of marijuana for medical use; ~~establishing limits on the quantity of marijuana for medical use that may be sold in a single package;~~ prohibiting the production of edible marijuana products or marijuana-infused products that are or appear to be ~~candy~~ lollipops or may appeal to children; ~~requiring~~ establishing certain requirements for the production, packaging and labeling of products by a facility for the production of edible marijuana products or marijuana-infused products; ~~which produces cookies or brownies to seal such a product in a container which is not transparent;~~ prohibiting advertising by a medical marijuana establishment that would be appealing to children; requiring a medical marijuana dispensary to offer certain containers for sale and provide notification with each sale of marijuana; ~~prohibiting the regulation of certain matters relating to marijuana by a local government or a state agency other than the Division of Public and Behavioral Health of the Department of Health and Human Services or the Department of Taxation;~~ establishing similar provisions for recreational marijuana establishments with a delayed effective date; establishing limits on the quantity of marijuana for recreational use that may be sold in a single package; establishing certain restrictions on advertising by a recreational marijuana establishment; prohibiting regulation of certain matters relating to marijuana which is more restrictive than or conflicts with state law or regulation by a local government; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products in this State to meet certain requirements for the packaging and labeling of such products. (NRS 453A.360) Section 1 of this bill requires each edible marijuana product or marijuana-infused product offered for sale to be labeled with the amount of servings of THC in the product ~~[Section 1 requires each edible marijuana product or marijuana-infused product to be sold in a single package and establishes limits on the amount of THC such products may contain per package and, if applicable, per unit.]~~ and establishes certain other requirements for such products. Section 1 prohibits a facility for the production of edible marijuana products or marijuana-infused products from producing such a product in any form that is or appears to be ~~[candy]~~ a lollipop or may appeal to children. Section 1 requires a facility for the production of edible marijuana products or marijuana-infused products which produces cookies or brownies to seal such a product in a bag or other container which is not transparent ~~[.]~~ and establishes certain other requirements for the production, packaging and labeling of an edible marijuana product or marijuana-infused product by such a facility. Section 1 prohibits a medical marijuana dispensary or facility for the production of edible marijuana products or marijuana-infused products from engaging in advertising that would make marijuana, edible marijuana products or marijuana-infused products appeal to children. Section 1 requires a medical marijuana dispensary to offer for sale containers for the storage of marijuana, edible marijuana products and marijuana-infused products which lock and are designed to prohibit children from unlocking and opening the container. Section 1 requires a medical marijuana dispensary to provide a written notification of certain information, including, to keep marijuana, edible marijuana products and marijuana-infused products out of the reach of children with each sale of marijuana or such products. Section 1 ~~[prohibits a local government or a state agency other than the Division of Public and Behavioral Health of the Department of Health and Human Services and the Department of Taxation from regulating certain issues relating to marijuana.]~~ requires at least one employee of a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary which sells edible marijuana products to be certified to handle food in certain circumstances.

Section 2 of this bill establishes similar requirements for recreational marijuana establishments at a future date. Additionally, section 2 requires each marijuana product to be sold in a single package and establishes limits on the amount of THC such products may contain per package and, if applicable, per unit. Section 2 also imposes certain requirements for and restrictions on advertising by a recreational marijuana establishment.

Sections 3-8 of this bill prohibit a local government from regulating a marijuana establishment or medical marijuana establishment in a manner

which is more restrictive than or conflicts with a law or regulation of this State.

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

Section 1. NRS 453A.360 is hereby amended to read as follows:

453A.360 1. Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the Division, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

~~{1.}~~ (a) Are labeled clearly and unambiguously ~~{as}~~ ;

~~(1) As medical marijuana~~ ;

~~2. with the words "THIS IS A MEDICAL MARIJUANA PRODUCT" in bold type; and {as}~~

~~(2) As required by NRS 453A.320 to 453A.370, inclusive, and any regulations adopted pursuant thereto.~~

(b) Are not presented in packaging that ~~is appealing to children.~~

~~3. , including, without limitation, packaging containing, contains an image of a cartoon character, mascot, action figure, balloon, fruit or toy fruit, except that such an item may appear in the logo of the facility for the production of edible marijuana products or marijuana-infused products which produced the product.~~

(c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

~~{4.}~~ (d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

(e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.

(f) Are labeled in a manner which indicates the ~~{number of servings}~~ amount of THC in the product, measured in ~~{servings of a maximum of 10 milligrams per serving,}~~ milligrams, and includes a statement that the product contains marijuana and its potency was tested with an allowable variance of the amount determined by the independent testing laboratory which performed the testing.

~~(g) Are not labeled or marketed as candy.~~

2. ~~{An edible marijuana product or marijuana infused product must be sold in a single package. A single package must not contain:~~

~~(a) For an edible marijuana product sold as a capsule, more than 100 milligrams of THC per capsule or more than 400 milligrams of THC per package;~~

~~(b) For an edible marijuana product sold as a tincture, more than 400 milligrams of THC;~~

~~(c) For an edible marijuana product other than a capsule or tincture, more than 400 milligrams of THC.~~

~~(d) For a marijuana-infused product sold as a topical product, a concentration of more than 6 percent THC or more than 400 milligrams of THC per package.~~

~~(e) For a marijuana infused product sold as a suppository or transdermal patch, more than 100 milligrams of THC per suppository or transdermal patch or more than 400 milligrams of THC per package.~~

~~(f) For a marijuana infused product other than a topical product, suppository or transdermal patch, more than 400 milligrams of THC.~~

~~3.1~~ A facility for the production of edible marijuana products or marijuana-infused products shall not produce edible marijuana products in any form that:

(a) ~~Appears~~ Is or appears to be ~~candy~~ a lollipop.

(b) ~~Is similar in appearance to~~ Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon ~~character, mascot, action figure, balloon, fruit or toy~~, or artistic rendering.

(c) Is modeled after a brand of products primarily consumed by or marketed to children.

(d) Is made by applying concentrated cannabis, as defined in NRS 453.042, to a commercially available candy or snack food item ~~or~~ other than dried fruit, nuts or granola.

~~4.1~~ 3. A facility for the production of edible marijuana products or marijuana-infused products shall ~~seal~~ :

(a) Seal any edible marijuana product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Affix a label to each edible marijuana product which includes without limitation, in a manner which must not mislead consumers, the following information:

(1) The words "Keep out of reach of children";

(2) A list of all ingredients used in the edible marijuana product;

(3) A list of all allergens in the edible marijuana product; and

(4) The total weight of marijuana contained in the edible marijuana product or an equivalent measure of THC concentration.

(c) Maintain a washing area with hot water, soap and a hand dryer or disposable towels which is located away from any area in which edible marijuana products are cooked or otherwise prepared.

(d) Require each person who handles edible marijuana products to wear a hair net and clean clothing and keep his or her fingernails neatly trimmed.

(e) Package all edible marijuana products or marijuana-infused products produced by the facility for the production of edible marijuana products or marijuana-infused products on the premises of the facility for the production of edible marijuana products or marijuana-infused products.

~~5.1~~ 4. A medical marijuana dispensary or facility for the production of edible marijuana products or marijuana-infused products shall not engage in advertising that in any way makes marijuana, edible marijuana products or

marijuana-infused products appeal to children, including without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

~~{6.}~~ 5. Each medical marijuana dispensary shall offer for sale containers for the storage of marijuana, edible marijuana products and marijuana-infused products which lock and are designed to prohibit children from unlocking and opening the container.

~~{7.}~~ 6. A medical marijuana dispensary shall ~~{include}~~ :

(a) Include a written notification with each sale of marijuana, edible marijuana products or marijuana-infused products which advises the purchaser ~~{to}~~ :

(1) To keep marijuana, edible marijuana products and marijuana-infused products out of the reach of children ~~{to}~~;

(2) That edible marijuana products can cause severe illness in children;

(3) That allowing children to ingest marijuana or edible marijuana products or storing marijuana or edible marijuana products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of edible marijuana products may be delayed by 2 hours or more and users of edible marijuana products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting marijuana or edible marijuana products;

(6) That ingesting marijuana or edible marijuana products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That marijuana or edible marijuana products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of marijuana or edible marijuana products; and

(8) That ingestion of any amount of marijuana or edible marijuana products before driving may result in criminal prosecution for driving under the influence.

(b) Enclose all marijuana, edible marijuana products and marijuana-infused products in opaque, child-resistant packaging upon sale.

7. A medical marijuana dispensary shall allow any person who is at least 21 years of age to enter the premises of the medical marijuana dispensary, regardless of whether such a person holds a valid registry identification card or letter of approval.

8. ~~{Notwithstanding any other provision of law and except as otherwise provided in chapter 453D of NRS, only the Division and the Department of Taxation may adopt a regulation or impose any requirement relating to the~~

~~production, potency, appearance, packaging, labeling or advertising of marijuana, edible marijuana products, marijuana infused products or marijuana products, as applicable, and any such regulation adopted, ordinance enacted or requirement imposed by another governmental entity or local government is void.~~

~~9. As used in this section, "candy" means a product which contains sugar and is produced in the shape of a cartoon character, mascot, action figure, human balloon, fruit or toy or any other shape determined by the Division to be likely to appeal primarily to children.] If the health authority, as defined in NRS 446.050, where a facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary which sells edible marijuana products is located requires persons who handle food at a food establishment to obtain certification, the facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary shall ensure that at least one employee maintains such certification.~~

Sec. 2. Chapter 453D of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each retail marijuana store and marijuana product manufacturing facility shall, in consultation with the Department, cooperate to ensure that all marijuana products offered for sale:

(a) Are labeled clearly and unambiguously ~~as~~ :

(1) As marijuana with the words "THIS IS A MARIJUANA PRODUCT" in bold type; and ~~as~~

(2) As required by this chapter and any regulations adopted pursuant thereto.

(b) Are not presented in packaging that ~~is appealing to children, including, without limitation, packaging containing~~ contains an image of a cartoon character, mascot, action figure, balloon ~~[, fruit]~~ or toy ~~[-]~~, except that such an item may appear in the logo of the marijuana product manufacturing facility which produced the product.

(c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

(d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

(e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.

(f) Are labeled in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams per serving, and includes a statement that the product contains marijuana and its potency was tested with an allowable variance of the amount determined by the marijuana testing facility which performed the testing.

(g) Are not labeled or marketed as candy.

2. A marijuana product must be sold in a single package. A single package must not contain:

(a) For a marijuana product sold as a capsule, more than 100 milligrams of THC per capsule or more than ~~400~~ 800 milligrams of THC per package.

(b) For a marijuana product sold as a tincture, more than ~~400~~ 800 milligrams of THC.

(c) For a marijuana product sold as a food product, more than ~~400~~ 100 milligrams of THC.

(d) For a marijuana product sold as a topical product, a concentration of more than 6 percent THC or more than ~~400~~ 800 milligrams of THC per package.

(e) For a marijuana product sold as a suppository or transdermal patch, more than 100 milligrams of THC per suppository or transdermal patch or more than ~~400~~ 800 milligrams of THC per package.

(f) For any other marijuana product, more than ~~400~~ 800 milligrams of THC.

3. A marijuana product manufacturing facility shall not produce marijuana products in any form that:

(a) ~~Appears~~ Is or appears to be ~~candy~~ a lollipop or ice cream.

(b) ~~Is similar in appearance to~~ Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon ~~character, mascot, action figure, balloon, fruit or toy~~ or artistic rendering.

(c) Is modeled after a brand of products primarily consumed by or marketed to children.

(d) Is made by applying concentrated marijuana to a commercially available candy or snack food item ~~that is~~ other than dried fruit, nuts or granola.

4. A marijuana product manufacturing facility shall ~~seal~~ :

(a) Seal any marijuana product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Affix a label to each marijuana product intended for human consumption by oral ingestion which includes, without limitation, in a manner which must not mislead consumers, the following information:

(1) The words "Keep out of reach of children";

(2) A list of all ingredients used in the marijuana product;

(3) A list of all allergens in the marijuana product; and

(4) The total weight of marijuana contained in the marijuana product or an equivalent measure of THC concentration.

(c) Maintain a washing area with hot water, soap and a hand dryer or disposable towels which is located away from any area in which marijuana products intended for human consumption by oral ingestion are cooked or otherwise prepared.

(d) Require each person who handles marijuana products intended for human consumption by oral ingestion to wear a hair net and clean clothing and keep his or her fingernails neatly trimmed.

(e) Package all marijuana products produced by the marijuana product manufacturing facility on the premises of the marijuana product manufacturing facility.

5. A retail marijuana store or marijuana product manufacturing facility shall not engage in advertising that in any way makes marijuana or marijuana products appeal to children, including, without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

6. Each retail marijuana store shall offer for sale containers for the storage of marijuana and marijuana products which lock and are designed to prohibit children from unlocking and opening the container.

7. A retail marijuana store shall ~~include~~ :

(a) Include a written notification with each sale of marijuana or marijuana products which advises the purchaser ~~to~~ :

(1) To keep marijuana and marijuana products out of the reach of children ~~if~~ ;

(2) That marijuana and marijuana products can cause severe illness in children;

(3) That allowing children to ingest marijuana or marijuana products, or storing marijuana or marijuana products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of marijuana products may be delayed by 2 hours or more and users of marijuana products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting marijuana or marijuana products;

(6) That ingesting marijuana or marijuana products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That marijuana or marijuana products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of marijuana or marijuana products; and

(8) That ingestion of any amount of marijuana or marijuana products before driving may result in criminal prosecution for driving under the influence.

(b) Enclose all marijuana and marijuana products in opaque, child-resistant packaging upon sale.

8. ~~Notwithstanding any other provision of law and except as otherwise provided in chapter 453A of NRS, only the Department and the Division of Public and Behavioral Health of the Department of Health and Human Services may adopt a regulation or impose any requirement relating to the production, potency, appearance, packaging, labeling or advertising of~~

~~marijuana, edible marijuana products, marijuana-infused products or marijuana products, as applicable, and any such regulation adopted, ordinance enacted or requirement imposed by another governmental entity or local government is void.~~

~~9. As used in this section, "candy" has the meaning ascribed to it in section 1 of this act.} If the health authority, as defined in NRS 446.050, where a marijuana product manufacturing facility or retail marijuana store which sells marijuana products intended for human consumption by oral ingestion is located requires persons who handle food at a food establishment to obtain certification, the marijuana product manufacturing facility or retail marijuana store shall ensure that at least one employee maintains such certification.~~

9. A marijuana establishment:

(a) Shall not engage in advertising which contains any statement or illustration that:

(1) Is false or misleading;

(2) Promotes overconsumption of marijuana or marijuana products;

(3) Depicts the actual consumption of marijuana or marijuana products; or

(4) Depicts a child or other person who is less than 21 years of age consuming marijuana or marijuana products or objects suggesting the presence of a child, including, without limitation, toys, characters or cartoons, or contains any other depiction which is designed in any manner to be appealing to or encourage consumption of marijuana or marijuana products by a person who is less than 21 years of age.

(b) Shall not advertise in any publication or on radio, television or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be persons who are less than 21 years of age.

(c) Shall not place an advertisement:

(1) Within 1,000 feet of a public or private school, playground, public park or library, but may maintain such an advertisement if it was initially placed before the school, playground, public park or library was located within 1,000 feet of the location of the advertisement;

(2) On or inside of a motor vehicle used for public transportation or any shelter for public transportation; or

(3) At a sports or entertainment event to which persons who are less than 21 years of age are allowed entry.

(d) Shall not advertise or offer any marijuana or marijuana product as "free" or "donated" without a purchase.

(e) Shall ensure that all advertising by the marijuana establishment contains such warnings as may be prescribed by the Department, which must include, without limitation, the following words:

(1) "Keep out of reach of children"; and

(2) "For use only by adults 21 years of age and older".

10. Nothing in subsection 9 shall be construed to prohibit a local government, pursuant to chapter 244, 268 or 278 of NRS, from adopting an ordinance for the regulation of advertising relating to marijuana which is more restrictive than the provisions of subsection 9 relating to:

(a) The number, location and size of signs, including, without limitation, any signs carried or displayed by a natural person;

(b) Handbills, pamphlets, cards or other types of advertisements that are distributed, excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media; and

(c) Any stationary or moving display that is located on or near the premises of a marijuana establishment.

Sec. 3. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

1. 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 marijuana, 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.

2. 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. 4. 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, a board of county commissioners may:

(a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive, 598D.150 and 640C.100, and section 3 of this act, 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. 5. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. 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 marijuana, 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.

2. 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. 6. NRS 268.095 is hereby amended to read as follows:

268.095 1. Except as otherwise provided in subsection 4 and NRS 268.0951, 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, and section 5 of this act, 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. 7. Chapter 269 of NRS is hereby amended by adding thereto a new section to read as follows:

1. 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 marijuana, 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 unincorporated 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.

2. 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. 8. 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 7 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. 3.}~~ Sec. 9. 1. This section and ~~{section}~~ sections 1 and 3 to 8, inclusive, of this act become effective on July 1, 2017.

2. Section 2 of this act becomes effective on January 1, 2020.

Amendment No. 1114.

SUMMARY—Revises various provisions relating to the labeling, packaging and advertising of marijuana. (BDR 40-451)

AN ACT relating to marijuana; revising standards for the labeling and packaging of marijuana for medical use; prohibiting the production of edible marijuana products or marijuana-infused products that are or appear to be lollipops or may appeal to children; establishing certain requirements for the production, packaging and labeling of products by a facility for the production of edible marijuana products or marijuana-infused products; prohibiting advertising by a medical marijuana establishment that would be appealing to children; requiring a medical marijuana dispensary to offer certain containers for sale and provide notification with each sale of marijuana; establishing similar provisions for recreational marijuana establishments with a delayed effective date; establishing limits on the quantity of marijuana for recreational use that may be sold in a single package; establishing certain restrictions on advertising by a recreational marijuana establishment; prohibiting regulation of certain matters relating to marijuana which is more restrictive than or conflicts with state law or

regulation by a local government; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products in this State to meet certain requirements for the packaging and labeling of such products. (NRS 453A.360) Section 1 of this bill requires each edible marijuana product or marijuana-infused product offered for sale to be labeled with the amount of servings of THC in the product and establishes certain other requirements for such products. Section 1 prohibits a facility for the production of edible marijuana products or marijuana-infused products from producing such a product in any form that is or appears to be a lollipop or may appeal to children. Section 1 requires a facility for the production of edible marijuana products or marijuana-infused products which produces cookies or brownies to seal such a product in a bag or other container which is not transparent and establishes certain other requirements for the production, packaging and labeling of an edible marijuana product or marijuana-infused product by such a facility. Section 1 prohibits a medical marijuana dispensary or facility for the production of edible marijuana products or marijuana-infused products from engaging in advertising that would make marijuana, edible marijuana products or marijuana-infused products appeal to children. Section 1 requires a medical marijuana dispensary to offer for sale containers for the storage of marijuana, edible marijuana products and marijuana-infused products which lock and are designed to prohibit children from unlocking and opening the container. Section 1 requires a medical marijuana dispensary to provide a written notification of certain information, including, to keep marijuana, edible marijuana products and marijuana-infused products out of the reach of children with each sale of marijuana or such products. Section 1 requires at least one employee of a facility for the production of edible marijuana products or marijuana-infused products or a medical marijuana dispensary which sells edible marijuana products to be certified to handle food in certain circumstances.

Section 2 of this bill establishes similar requirements for recreational marijuana establishments at a future date. Additionally, section 2 requires each marijuana product to be sold in a single package and establishes limits on the amount of THC such products may contain per package and, if applicable, per unit. Section 2 also imposes certain requirements for and restrictions on advertising by a recreational marijuana establishment.

Sections 3-8 of this bill prohibit a local government from regulating a marijuana establishment or medical marijuana establishment in a manner which is more restrictive than or conflicts with a law or regulation of this State.

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

Section 1. NRS 453A.360 is hereby amended to read as follows:

453A.360 1. Each medical marijuana dispensary and facility for the production of edible marijuana products or marijuana-infused products shall, in consultation with the Division, cooperate to ensure that all edible marijuana products and marijuana-infused products offered for sale:

~~{1.}~~ (a) Are labeled clearly and unambiguously ~~{as}~~ :

(1) As medical marijuana ~~{~~

~~—2.}~~ with the words "*THIS IS A MEDICAL MARIJUANA PRODUCT*" in bold type; and

(2) As required by NRS 453A.320 to 453A.370, inclusive, and any regulations adopted pursuant thereto.

(b) Are not presented in packaging that ~~{is appealing to children.~~

~~—3.}~~ contains an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the facility for the production of edible marijuana products or marijuana-infused products which produced the product.

(c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

~~{4.}~~ (d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

(e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.

(f) Are labeled in a manner which indicates the amount of THC in the product, measured in milligrams, and includes a statement that the product contains marijuana and its potency was tested with an allowable variance of the amount determined by the ~~{independent testing laboratory which performed the testing.}~~ Division by regulation.

(g) Are not labeled or marketed as candy.

2. A facility for the production of edible marijuana products or marijuana-infused products shall not produce edible marijuana products in any form that:

(a) Is or appears to be a lollipop.

(b) Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon or artistic rendering.

(c) Is modeled after a brand of products primarily consumed by or marketed to children.

(d) Is made by applying concentrated cannabis, as defined in NRS 453.042, to a commercially available candy or snack food item other than dried fruit, nuts or granola.

3. A facility for the production of edible marijuana products or marijuana-infused products shall:

(a) Seal any edible marijuana product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Affix a label to each edible marijuana product which includes without limitation, in a manner which must not mislead consumers, the following information:

- (1) The words "Keep out of reach of children";
- (2) A list of all ingredients used in the edible marijuana product;
- (3) A list of all allergens in the edible marijuana product; and
- (4) The total weight of marijuana contained in the edible marijuana product or an equivalent measure of THC concentration.

(c) Maintain a washing area with hot water, soap and a hand dryer or disposable towels which is located away from any area in which edible marijuana products are cooked or otherwise prepared.

(d) Require each person who handles edible marijuana products to wear a hair net and clean clothing and keep his or her fingernails neatly trimmed.

(e) Package all edible marijuana products or marijuana-infused products produced by the facility for the production of edible marijuana products or marijuana-infused products on the premises of the facility for the production of edible marijuana products or marijuana-infused products.

4. A medical marijuana dispensary or facility for the production of edible marijuana products or marijuana-infused products shall not engage in advertising that in any way makes marijuana, edible marijuana products or marijuana-infused products appeal to children, including without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

5. Each medical marijuana dispensary shall offer for sale containers for the storage of marijuana, edible marijuana products and marijuana-infused products which lock and are designed to prohibit children from unlocking and opening the container.

6. A medical marijuana dispensary shall:

(a) Include a written notification with each sale of marijuana, edible marijuana products or marijuana-infused products which advises the purchaser:

(1) To keep marijuana, edible marijuana products and marijuana-infused products out of the reach of children;

(2) That edible marijuana products can cause severe illness in children;

(3) That allowing children to ingest marijuana or edible marijuana products or storing marijuana or edible marijuana products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of edible marijuana products may be delayed by 2 hours or more and users of edible marijuana products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting marijuana or edible marijuana products;

(6) That ingesting marijuana or edible marijuana products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That marijuana or edible marijuana products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of marijuana or edible marijuana products; and

(8) That ingestion of any amount of marijuana or edible marijuana products before driving may result in criminal prosecution for driving under the influence.

(b) Enclose all marijuana, edible marijuana products and marijuana-infused products in opaque, child-resistant packaging upon sale.

7. A medical marijuana dispensary shall allow any person who is at least 21 years of age to enter the premises of the medical marijuana dispensary, regardless of whether such a person holds a valid registry identification card or letter of approval.

8. If the health authority, as defined in NRS 446.050, where a facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary which sells edible marijuana products is located requires persons who handle food at a food establishment to obtain certification, the facility for the production of edible marijuana products or marijuana-infused products or medical marijuana dispensary shall ensure that at least one employee maintains such certification.

Sec. 2. Chapter 453D of NRS is hereby amended by adding thereto a new section to read as follows:

1. Each retail marijuana store and marijuana product manufacturing facility shall, in consultation with the Department, cooperate to ensure that all marijuana products offered for sale:

(a) Are labeled clearly and unambiguously:

(1) As marijuana with the words "THIS IS A MARIJUANA PRODUCT" in bold type; and

(2) As required by this chapter and any regulations adopted pursuant thereto.

(b) Are not presented in packaging that contains an image of a cartoon character, mascot, action figure, balloon or toy, except that such an item may appear in the logo of the marijuana product manufacturing facility which produced the product.

(c) Are regulated and sold on the basis of the concentration of THC in the products and not by weight.

(d) Are packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

(e) Are not packaged and labeled in a manner which is modeled after a brand of products primarily consumed by or marketed to children.

(f) Are labeled in a manner which indicates the number of servings of THC in the product, measured in servings of a maximum of 10 milligrams per serving, and includes a statement that the product contains marijuana and its potency was tested with an allowable variance of the amount determined by the ~~[marijuana testing facility which performed the testing.]~~
Department by regulation.

(g) Are not labeled or marketed as candy.

2. A marijuana product must be sold in a single package. A single package must not contain:

(a) For a marijuana product sold as a capsule, more than 100 milligrams of THC per capsule or more than 800 milligrams of THC per package.

(b) For a marijuana product sold as a tincture, more than 800 milligrams of THC.

(c) For a marijuana product sold as a food product, more than 100 milligrams of THC.

(d) For a marijuana product sold as a topical product, a concentration of more than 6 percent THC or more than 800 milligrams of THC per package.

(e) For a marijuana product sold as a suppository or transdermal patch, more than 100 milligrams of THC per suppository or transdermal patch or more than 800 milligrams of THC per package.

(f) For any other marijuana product, more than 800 milligrams of THC.

3. A marijuana product manufacturing facility shall not produce marijuana products in any form that:

(a) Is or appears to be a lollipop or ice cream.

(b) Bears the likeness or contains characteristics of a real or fictional person, animal or fruit, including, without limitation, a caricature, cartoon or artistic rendering.

(c) Is modeled after a brand of products primarily consumed by or marketed to children.

(d) Is made by applying concentrated marijuana to a commercially available candy or snack food item other than dried fruit, nuts or granola.

4. A marijuana product manufacturing facility shall:

(a) Seal any marijuana product that consists of cookies or brownies in a bag or other container which is not transparent.

(b) Affix a label to each marijuana product intended for human consumption by oral ingestion which includes, without limitation, in a manner which must not mislead consumers, the following information:

(1) The words "Keep out of reach of children";

(2) A list of all ingredients used in the marijuana product;

(3) A list of all allergens in the marijuana product; and

(4) The total weight of marijuana contained in the marijuana product or an equivalent measure of THC concentration.

(c) Maintain a washing area with hot water, soap and a hand dryer or disposable towels which is located away from any area in which marijuana

products intended for human consumption by oral ingestion are cooked or otherwise prepared.

(d) Require each person who handles marijuana products intended for human consumption by oral ingestion to wear a hair net and clean clothing and keep his or her fingernails neatly trimmed.

(e) Package all marijuana products produced by the marijuana product manufacturing facility on the premises of the marijuana product manufacturing facility.

5. A retail marijuana store or marijuana product manufacturing facility shall not engage in advertising that in any way makes marijuana or marijuana products appeal to children, including, without limitation, advertising which uses an image of a cartoon character, mascot, action figure, balloon, fruit or toy.

6. Each retail marijuana store shall offer for sale containers for the storage of marijuana and marijuana products which lock and are designed to prohibit children from unlocking and opening the container.

7. A retail marijuana store shall:

(a) Include a written notification with each sale of marijuana or marijuana products which advises the purchaser:

(1) To keep marijuana and marijuana products out of the reach of children;

(2) That marijuana and marijuana products can cause severe illness in children;

(3) That allowing children to ingest marijuana or marijuana products, or storing marijuana or marijuana products in a location which is accessible to children may result in an investigation by an agency which provides child welfare services or criminal prosecution for child abuse or neglect;

(4) That the intoxicating effects of marijuana products may be delayed by 2 hours or more and users of marijuana products should initially ingest a small amount of the product, then wait at least 120 minutes before ingesting any additional amount of the product;

(5) That pregnant women should consult with a physician before ingesting marijuana or marijuana products;

(6) That ingesting marijuana or marijuana products with alcohol or other drugs, including prescription medication, may result in unpredictable levels of impairment and that a person should consult with a physician before doing so;

(7) That marijuana or marijuana products can impair concentration, coordination and judgment and a person should not operate a motor vehicle while under the influence of marijuana or marijuana products; and

(8) That ingestion of any amount of marijuana or marijuana products before driving may result in criminal prosecution for driving under the influence.

(b) Enclose all marijuana and marijuana products in opaque, child-resistant packaging upon sale.

8. If the health authority, as defined in NRS 446.050, where a marijuana product manufacturing facility or retail marijuana store which sells marijuana products intended for human consumption by oral ingestion is located requires persons who handle food at a food establishment to obtain certification, the marijuana product manufacturing facility or retail marijuana store shall ensure that at least one employee maintains such certification.

9. A marijuana establishment:

(a) Shall not engage in advertising which contains any statement or illustration that:

(1) Is false or misleading;

(2) Promotes overconsumption of marijuana or marijuana products;

(3) Depicts the actual consumption of marijuana or marijuana products; or

(4) Depicts a child or other person who is less than 21 years of age consuming marijuana or marijuana products or objects suggesting the presence of a child, including, without limitation, toys, characters or cartoons, or contains any other depiction which is designed in any manner to be appealing to or encourage consumption of marijuana or marijuana products by a person who is less than 21 years of age.

(b) Shall not advertise in any publication or on radio, television or any other medium if 30 percent or more of the audience of that medium is reasonably expected to be persons who are less than 21 years of age.

(c) Shall not place an advertisement:

(1) Within 1,000 feet of a public or private school, playground, public park or library, but may maintain such an advertisement if it was initially placed before the school, playground, public park or library was located within 1,000 feet of the location of the advertisement;

(2) On or inside of a motor vehicle used for public transportation or any shelter for public transportation; or

(3) At a sports or entertainment event to which persons who are less than 21 years of age are allowed entry.

(d) Shall not advertise or offer any marijuana or marijuana product as "free" or "donated" without a purchase.

(e) Shall ensure that all advertising by the marijuana establishment contains such warnings as may be prescribed by the Department, which must include, without limitation, the following words:

(1) "Keep out of reach of children"; and

(2) "For use only by adults 21 years of age and older".

10. Nothing in subsection 9 shall be construed to prohibit a local government, pursuant to chapter 244, 268 or 278 of NRS, from adopting an ordinance for the regulation of advertising relating to marijuana which is more restrictive than the provisions of subsection 9 relating to:

(a) The number, location and size of signs, including, without limitation, any signs carried or displayed by a natural person;

(b) Handbills, pamphlets, cards or other types of advertisements that are distributed, excluding an advertisement placed in a newspaper of general circulation, trade publication or other form of print media; and

(c) Any stationary or moving display that is located on or near the premises of a marijuana establishment.

Sec. 3. Chapter 244 of NRS is hereby amended by adding thereto a new section to read as follows:

1. 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 marijuana, 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.

2. 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. 4. 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, a board of county commissioners may:

(a) Except as otherwise provided in NRS 244.331 to 244.3345, inclusive, 598D.150 and 640C.100, *and section 3 of this act*, 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. 5. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *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 marijuana, 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.

2. *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. 6. NRS 268.095 is hereby amended to read as follows:

268.095 1. Except as otherwise provided in subsection 4 and NRS 268.0951, 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, *and section 5 of this act*, 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. 7. Chapter 269 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *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 marijuana, 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 unincorporated 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.

2. *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. 8. 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 7 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. 9. 1. This section and sections ~~11 and~~ 3 to 8, inclusive, of this act become effective on July 1, 2017.

2. Section 1 of this act becomes effective on October 1, 2017.

3. Section 2 of this act becomes effective on January 1, 2020.

Senator Segerblom moved that the Senate concur in Assembly Amendments Nos. 881, 1114 to Senate Bill No. 344.

Remarks by Senators Hardy, Gansert and Farley.

SENATOR HARDY:

I do not see anything in these amendments that would require childproof containers. Knowing what is happening in Colorado, in which children are accessing brownies, cookies or gummy bears and ending up in the hospital, ICU or on life support, I am concerned it will happen here if we do not do something to protect our children by having childproof containers. We do that with medicines; we have special caps. This is "medicinal" so we will rue the day we do not protect our children with this. I have issues with not allowing a county or a city to enact more restrictive measures, such as transportation through their community. I am opposed to both of these amendments to Senate Bill No. 344.

SENATOR GANSERT:

The language that stated "appears to be candy" has been struck and narrowed to "is or appears to be a lollipop." These items should not look like any type of candy whether it be a lollipop, bubblegum or any other type. I am concerned about the narrowing in this portion of the legislation.

Senator Hardy requested a division of the House.

Senator Manendo moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 10:17 p.m.

SENATE IN SESSION

At 10:19 p.m.

President Hutchison presiding.

Quorum present.

SENATOR FARLEY:

I worked with the states of Colorado, Oregon and Washington. Senate Bill No. 344 goes farther than the laws in those states currently do. It was mentioned that only lollipops are mentioned, but in the next sentence in the bill it addresses items that bear a likeness to or characteristics of real or fictional persons, animals or fruits including limitations on characters, cartoons and artistic renderings. This bill covers the gamut of what is considered candy and what is considered a food object that a child might be interested in consuming. I am comfortable, that upon passage, this will be the toughest edibles law in the Nation.

SENATOR GANSERT:

Page 5 of the amendment is where the narrowing of the language occurs referencing the lollipop and also addresses items that bear a likeness to or characteristics of real or fictional persons and so on. This does not capture things such as M&M's or chocolate bars or other types of candy that a child might be attracted to. Gummy bears might be on the market now, but there are all types of candy that are attractive to children. When this is narrowed to something specific like a lollipop or things that bear a likeness to a fictional person or animal, that language is too narrow. The original broad language is preferred which says "appears to be candy."

SENATOR FARLEY:

We made the language better in Senate Bill No. 344 by being more specific. Currently, there are not the types of products you mentioned, and people such as M&M's would have a problem with this if there were.

Senator Farley moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 10:23 p.m.

SENATE IN SESSION

At 10:25 p.m.

President Hutchison presiding.

Quorum present.

Motion carried on a division of the House.

Senator Roberson moved that the action whereby Assembly Amendments Nos. 881, 1114 to Senate Bill No. 344 were concurred in be rescinded.

Motion carried.

Senator Segerblom moved that the bill be taken from Unfinished Business File and placed on the Unfinished Business File for the next legislative day.

Motion carried.

Senate Bill No. 361.

The following Assembly amendment was read:

Amendment No. 1082.

SUMMARY—Revises provisions related to domestic violence. (BDR 53-775)

AN ACT relating to domestic violence; providing under certain circumstances for hours of leave if an employee is a victim of an act which constitutes domestic violence; prohibiting the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation from disqualifying certain persons from receiving unemployment benefits under certain circumstances; prohibiting employers from conditioning employment in certain circumstances; ~~increasing the penalty for violating certain orders for protection;~~ revising the list of persons against whom domestic violence may be committed; revising provisions that exclude certain misdemeanor offenses related to domestic violence from provisions that limit the time of day that an arrest for a misdemeanor may be made; increasing the penalty for a battery which constitutes domestic violence in certain circumstances; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law sets forth certain unlawful acts which constitute domestic violence when committed against certain specified persons. (NRS 33.018) Section 1 of this bill requires an employer to provide certain hours of leave to an employee who has been employed by the employer for at least 90 days and who is a victim of an act which constitutes domestic violence, or such an employee whose family or household member is a victim of an act which constitutes domestic violence and the employee is not the alleged perpetrator. Section 1 specifically requires that such an employee is entitled to 160 hours of leave during a 12-month period. Such leave: (1) may be paid or unpaid; (2) must be used within the 12 months immediately following the date on which the act which constitutes domestic violence occurred; (3) may be used consecutively or intermittently; and (4) under certain circumstances, must be deducted from leave permitted by the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq. Section 1 authorizes an employee to use the leave for purposes related to a person who is a victim of an act which constitutes domestic violence. Section 1 additionally requires an employer to maintain a record of the use of the hours of leave for each employee for a 2-year period and to make those records available for inspection by the Labor Commissioner. Finally, section 1 requires the Labor Commissioner to prepare a bulletin setting forth the right to these benefits and requires employers to post the bulletin in the workplace.

Section 4 of this bill prohibits the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation from disqualifying a person from receiving unemployment compensation benefits if: (1) the person left employment to protect himself or herself, or his or her family or household member, from an act which constitutes domestic violence; and (2) the person actively engaged in an

effort to preserve employment. Section 4 also authorizes the Administrator to request evidence from the person to support a claim for benefits.

Section 6 of this bill requires an employer to provide reasonable accommodations which will not create an undue hardship for an employee who is a victim of an act which constitutes domestic violence or whose family or household member is a victim of an act which constitutes domestic violence.

Section 7 of this bill prohibits an employer from conditioning the employment of an employee or prospective employee or taking certain employment actions because: (1) the employee is a victim of an act which constitutes domestic violence; (2) the employee's family or household member is a victim of an act which constitutes domestic violence; or (3) of other circumstances related to being a victim of an act which constitutes domestic violence.

~~[Existing law authorizes a court to issue a temporary or extended order for protection to protect a person from domestic violence. (NRS 33.020, 33.030) Further, existing law provides that a person who intentionally violates a temporary or extended order for protection against domestic violence is guilty of a misdemeanor unless a more severe penalty is prescribed for the act. Section 8 of this bill instead makes the intentional violation of: (1) a temporary order a gross misdemeanor; and (2) an extended order a category C felony punishable by the penalties applicable to other category C felonies.]~~

Section 7.5 of this bill revises the list of persons against whom domestic violence may be committed to remove certain persons with whom the person is or was actually residing. Section 8.3 of this bill makes a conforming change.

Existing law establishes the acts which constitute domestic violence, including committing a battery against a person with whom the aggressor has a certain relationship. (NRS 33.018) Under existing law, a person who is convicted of a third or subsequent offense of battery which constitutes domestic violence within 7 years is guilty of a category C felony. Additionally, if a person is convicted of a battery which constitutes domestic violence that is committed by strangulation, the person is guilty of a category C felony. (NRS 200.485) Section 9 of this bill makes it a category B felony punishable by a minimum term of imprisonment of 2 years and a maximum term of 15 years, and a fine of not less than \$2,000 but not more than \$5,000, to commit a battery which constitutes domestic violence if the person has previously been convicted of: (1) a felony in this State for committing battery which constitutes domestic violence; or (2) a violation of the law of any other jurisdiction that prohibits conduct that is the same or similar to a felony in this State for committing a battery which constitutes domestic violence.

Existing law limits the time of day that an arrest for a misdemeanor may be made. Under existing law, a battery that constitutes domestic violence is excluded from such time limits and under certain circumstances such an arrest must be made. (NRS 171.136, 171.137) Section 8.7 of this bill makes

conforming changes by deleting the reference to battery that constitutes domestic violence and instead providing that an arrest for battery committed upon certain persons, including a person with whom the person to be arrested is or was actually residing, may be made at any time of day if the circumstances prescribed by existing law for mandatory arrest for such an offense are met.

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

Section 1. Chapter 608 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *An employee who has been employed by an employer for at least 90 days and who is a victim of an act which constitutes domestic violence, or whose family or household member is a victim of an act which constitutes domestic violence, and the employee is not the alleged perpetrator, is entitled to not more than 160 hours of leave in one 12-month period. Hours of leave provided pursuant to this subsection:*

- (a) May be paid or unpaid by the employer;*
- (b) Must be used within the 12 months immediately following the date on which the act which constitutes domestic violence occurred;*
- (c) May be used consecutively or intermittently; and*
- (d) If used for a reason for which leave may also be taken pursuant to the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq., must be deducted from the amount of leave the employee is entitled to take pursuant to this section and from the amount of leave the employee is entitled to take pursuant to the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.*

2. *An employee may use the hours of leave pursuant to subsection 1 as follows:*

- (a) An employee may use the hours of leave only:*
 - (1) For the diagnosis, care or treatment of a health condition related to an act which constitutes domestic violence committed against the employee or family or household member of the employee;*
 - (2) To obtain counseling or assistance related to an act which constitutes domestic violence committed against the employee or family or household member of the employee;*
 - (3) To participate in any court proceedings related to an act which constitutes domestic violence committed against the employee or family or household member of the employee; or*
 - (4) To establish a safety plan, including, without limitation, any action to increase the safety of the employee or the family or household member of the employee from a future act which constitutes domestic violence.*
- (b) After taking any hours of leave upon the occurrence of the act which constitutes domestic violence, an employee shall give not less than 48 hours' advance notice to his or her employer of the need to use additional hours of leave for any purpose listed in paragraph (a).*

3. An employer shall not:

(a) Deny an employee the right to use hours of leave in accordance with the conditions of this section;

(b) Require an employee to find a replacement worker as a condition of using hours of leave; or

(c) Retaliate against an employee for using hours of leave.

4. The employer of an employee who takes hours of leave pursuant to this section may require the employee to provide to the employer documentation that confirms or supports the reason the employee provided for requesting leave. Such documentation may include, without limitation, a police report, a copy of an application for an order for protection, an affidavit from an organization which provides services to victims of domestic violence or documentation from a physician. Any documentation provided to an employer pursuant to this subsection is confidential and must be retained by the employer in a manner consistent with the requirements of the Family and Medical Leave Act of 1993, 29 U.S.C. §§ 2601 et seq.

5. The Labor Commissioner shall prepare a bulletin which clearly sets forth the right to the benefits created by this section. The Labor Commissioner shall post the bulletin on the Internet website maintained by the Office of Labor Commissioner, if any, and shall require all employers to post the bulletin in a conspicuous location in each workplace maintained by the employer. The bulletin may be included in any printed abstract posted by the employer pursuant to NRS 608.013.

6. An employer shall maintain a record of the hours of leave taken pursuant to this section for each employee for a 2-year period following the entry of such information in the record and, upon request, shall make those records available for inspection by the Labor Commissioner. The employer shall exclude the names of the employees from the records, unless a request for a record is for the purpose of an investigation.

7. The provisions of this section do not:

(a) Limit or abridge any other rights, remedies or procedures available under the law.

(b) Negate any other rights, remedies or procedures available to an aggrieved party.

(c) Prohibit, preempt or discourage any contract or other agreement that provides a more generous leave benefit or paid leave benefit.

8. As used in this section:

(a) "Domestic violence" has the meaning ascribed to it in NRS 33.018.

(b) "Family or household member" means a:

(1) Spouse;

(2) Domestic partner;

(3) Minor child; or

(4) Parent or other adult person who is related within the first degree of consanguinity or affinity to the employee, or other adult person who is or

was actually residing with the employee at the time of the act which constitutes domestic violence.

Sec. 2. NRS 608.180 is hereby amended to read as follows:

608.180 The Labor Commissioner or the representative of the Labor Commissioner shall cause the provisions of NRS 608.005 to 608.195, inclusive, *and section 1 of this act* to be enforced, and upon notice from the Labor Commissioner or the representative:

1. The district attorney of any county in which a violation of those sections has occurred;

2. The Deputy Labor Commissioner, as provided in NRS 607.050;

3. The Attorney General, as provided in NRS 607.160 or 607.220; or

4. The special counsel, as provided in NRS 607.065,

↪ shall prosecute the action for enforcement according to law.

Sec. 3. NRS 608.195 is hereby amended to read as follows:

608.195 1. Except as otherwise provided in NRS 608.0165, any person who violates any provision of NRS 608.005 to 608.195, inclusive, *and section 1 of this act*, or any regulation adopted pursuant thereto, is guilty of a misdemeanor.

2. In addition to any other remedy or penalty, the Labor Commissioner may impose against the person an administrative penalty of not more than \$5,000 for each such violation.

Sec. 4. Chapter 612 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Administrator shall not deny any otherwise eligible person benefits if the Administrator finds that:*

(a) *The person left employment to protect himself or herself, or a family or household member, from an act which constitutes domestic violence; and*

(b) *The person actively engaged in an effort to preserve employment.*

2. *The Administrator may request the person to furnish evidence satisfactory to support the person's claim for benefits.*

3. *As used in this section:*

(a) *"Domestic violence" has the meaning ascribed to it in NRS 33.018.*

(b) *"Family or household member" means a:*

(1) *Spouse;*

(2) *Domestic partner;*

(3) *Minor child; or*

(4) *Parent or other adult person who is related within the first degree of consanguinity or affinity to the employee, or other adult person who is or was actually residing with the employee at the time of the act which constitutes domestic violence.*

Sec. 5. Chapter 613 of NRS is hereby amended by adding thereto the provisions set forth as sections 6 and 7 of this act.

Sec. 6. 1. *An employer must make reasonable accommodations which will not create an undue hardship for an employee who is a victim of an act which constitutes domestic violence or whose family or household member is*

a victim of an act which constitutes domestic violence. The employer may provide such accommodations, including, without limitation, as:

- (a) A transfer or reassignment;
- (b) A modified schedule;
- (c) A new telephone number for work; or
- (d) Any other reasonable accommodations which will not create an undue hardship deemed necessary to ensure the safety of the employee, the workplace, the employer or other employees.

2. An employer may require an employee to provide to the employer documentation that confirms or supports the reason the employee requires the reasonable accommodations.

3. As used in this section:

- (a) "Domestic violence" has the meaning ascribed to it in NRS 33.018.
- (b) "Family or household member" has the meaning ascribed to it in section 4 of this act.

Sec. 7. 1. It is unlawful for any employer in this State to discharge, discipline, discriminate against in any manner or deny employment or promotion to, or threaten to take any such action against, an employee because:

- (a) The employee requested to use hours of leave pursuant to section 1 of this act;
- (b) The employee participated as a witness or interested party in court proceedings related to an act which constitutes domestic violence which triggered the use of leave pursuant to section 1 of this act.

(c) The employee requested an accommodation pursuant to section 6 of this act; or

(d) ~~[A person who allegedly committed an act which constitutes domestic violence]~~ An act which constitutes domestic violence [commits an act which constitutes domestic violence] was committed against the employee in the workplace of the employee.

2. As used in this section, "domestic violence" has the meaning ascribed to it in NRS 33.018.

Sec. 7.5. NRS 33.018 is hereby amended to read as follows:

33.018 1. Domestic violence occurs when a person commits one of the following acts against or upon the person's spouse or former spouse, any other person to whom the person is related by blood or marriage, ~~[any other person with whom the person is or was actually residing,]~~ any other person with whom the person has had or is having a dating relationship, any other person with whom the person has a child in common, the minor child of any of those persons, the person's minor child or any other person who has been appointed the custodian or legal guardian for the person's minor child:

- (a) A battery.
- (b) An assault.
- (c) Compelling the other person by force or threat of force to perform an act from which the other person has the right to refrain or to refrain from an act which the other person has the right to perform.

(d) A sexual assault.

(e) A knowing, purposeful or reckless course of conduct intended to harass the other person. Such conduct may include, but is not limited to:

- (1) Stalking.
- (2) Arson.
- (3) Trespassing.
- (4) Larceny.
- (5) Destruction of private property.
- (6) Carrying a concealed weapon without a permit.
- (7) Injuring or killing an animal.

(f) A false imprisonment.

(g) Unlawful entry of the other person's residence, or forcible entry against the other person's will if there is a reasonably foreseeable risk of harm to the other person from the entry.

2. As used in this section, "dating relationship" means frequent, intimate associations primarily characterized by the expectation of affectional or sexual involvement. The term does not include a casual relationship or an ordinary association between persons in a business or social context.

Sec. 8. ~~NRS 33.100 is hereby amended to read as follows:~~
~~33.100 [A] Unless a more severe penalty is prescribed by law for the act that constitutes the violation of the order, any person who intentionally violates [a]:~~

- ~~1. A temporary [or] order is guilty of a gross misdemeanor;~~
- ~~2. An extended order is guilty of a [misdemeanor, unless a more severe penalty is prescribed by law for the act that constitutes the violation of the order.] category C felony and shall be punished as provided in NRS 193.130. (Deleted by amendment.)~~

Sec. 8.3. NRS 171.1225 is hereby amended to read as follows:

171.1225 1. When investigating an act of domestic violence, a peace officer shall:

(a) Make a good faith effort to explain the provisions of NRS 171.137 pertaining to domestic violence and advise victims of all reasonable means to prevent further abuse, including advising each person of the availability of a shelter or other services in the community.

(b) Provide a person suspected of being the victim of an act of domestic violence with a written copy of the following statements:

(1) My name is Officer (naming the investigating officer). Nevada law requires me to inform you of the following information.

(2) If I have probable cause to believe that a battery has been committed against you, your minor child or the minor child of the person believed to have committed the battery in the last 24 hours by your spouse, your former spouse, any other person to whom you are related by blood or marriage, ~~or a person with whom you are or were actually residing,~~ a person with whom you have had or are having a dating relationship or a person with whom you

have a child in common, I am required, unless mitigating circumstances exist, to arrest the person suspected of committing the battery.

(3) If I am unable to arrest the person suspected of committing the battery, you have the right to request that the prosecutor file a criminal complaint against the person. I can provide you with information on this procedure. If convicted, the person who committed the battery may be placed on probation, ordered to see a counselor, put in jail or fined.

(4) The law provides that you may seek a court order for the protection of you, your minor children or any animal that is owned or kept by you, by the person who committed or threatened the act of domestic violence or by the minor child of either such person against further threats or acts of domestic violence. You do not need to hire a lawyer to obtain such an order for protection.

(5) An order for protection may require the person who committed or threatened the act of domestic violence against you to:

(I) Stop threatening, harassing or injuring you or your children;

(II) Move out of your residence;

(III) Stay away from your place of employment;

(IV) Stay away from the school attended by your children;

(V) Stay away from any place you or your children regularly go;

(VI) Avoid or limit all communication with you or your children;

(VII) Stop physically injuring, threatening to injure or taking possession of any animal that is owned or kept by you or your children, either directly or through an agent; and

(VIII) Stop physically injuring or threatening to injure any animal that is owned or kept by the person who committed or threatened the act or his or her children, either directly or through an agent.

(6) A court may make future orders for protection which award you custody of your children and require the person who committed or threatened the act of domestic violence against you to:

(I) Pay the rent or mortgage due on the place in which you live;

(II) Pay the amount of money necessary for the support of your children;

(III) Pay part or all of the costs incurred by you in obtaining the order for protection; and

(IV) Comply with the arrangements specified for the possession and care of any animal owned or kept by you or your children or by the person who committed or threatened the act or his or her children.

(7) To get an order for protection, go to room number (state the room number of the office at the court) at the court, which is located at (state the address of the court). Ask the clerk of the court to provide you with the forms for an order of protection.

(8) If the person who committed or threatened the act of domestic violence against you violates the terms of an order for protection, the person may be arrested and, if:

(I) The arresting officer determines that such a violation is accompanied by a direct or indirect threat of harm;

(II) The person has previously violated a temporary or extended order for protection; or

(III) At the time of the violation or within 2 hours after the violation, the person has a concentration of alcohol of 0.08 or more in the person's blood or breath or an amount of a prohibited substance in the person's blood or urine that is equal to or greater than the amount set forth in subsection 3 of NRS 484C.110,

➡ the person will not be admitted to bail sooner than 12 hours after arrest.

(9) You may obtain emergency assistance or shelter by contacting your local program against domestic violence at (state name, address and telephone number of local program) or you may call, without charge to you, the Statewide Program Against Domestic Violence at (state toll-free telephone number of Statewide Program).

2. The failure of a peace officer to carry out the requirements set forth in subsection 1 is not a defense in a criminal prosecution for the commission of an act of domestic violence, nor may such an omission be considered as negligence or as causation in any civil action against the peace officer or the officer's employer.

3. As used in this section:

(a) "Act of domestic violence" means any of the following acts committed by a person against his or her spouse, former spouse, any other person to whom he or she is related by blood or marriage, a person with whom he or she is or was actually residing, a person with whom he or she has had or is having a dating relationship, a person with whom he or she has a child in common, the minor child of any of those persons or his or her minor child:

(1) A battery.

(2) An assault.

(3) Compelling the other by force or threat of force to perform an act from which he or she has the right to refrain or to refrain from an act which he or she has the right to perform.

(4) A sexual assault.

(5) A knowing, purposeful or reckless course of conduct intended to harass the other. Such conduct may include, but is not limited to:

(I) Stalking.

(II) Arson.

(III) Trespassing.

(IV) Larceny.

(V) Destruction of private property.

(VI) Carrying a concealed weapon without a permit.

(VII) Injuring or killing an animal.

(6) False imprisonment.

(7) Unlawful entry of the other's residence, or forcible entry against the other's will if there is a reasonably foreseeable risk of harm to the other from the entry.

(b) "Dating relationship" means frequent, intimate associations primarily characterized by the expectation of affectional or sexual involvement. The term does not include a casual relationship or an ordinary association between persons in a business or social context.

Sec. 8.7. NRS 171.136 is hereby amended to read as follows:

171.136 1. If the offense charged is a felony or gross misdemeanor, the arrest may be made on any day, and at any time of day or night.

2. If it is a misdemeanor, the arrest cannot be made between the hours of 7 p.m. and 7 a.m., except:

- (a) Upon the direction of a magistrate, endorsed upon the warrant;
- (b) When the offense is committed in the presence of the arresting officer;
- (c) When the person is found and the arrest is made in a public place or a place that is open to the public and:

- (1) There is a warrant of arrest against the person; and

- (2) The misdemeanor is discovered because there was probable cause for the arresting officer to stop, detain or arrest the person for another alleged violation or offense;

- (d) When the offense is committed in the presence of a private person and the person makes an arrest immediately after the offense is committed;

- (e) When ~~the offense charged is battery that constitutes domestic violence pursuant to NRS 33.018 and~~ the arrest is made in the manner provided in NRS 171.137;

- (f) When the offense charged is a violation of a temporary or extended order for protection against domestic violence issued pursuant to NRS 33.017 to 33.100, inclusive;

- (g) When the person is already in custody as a result of another lawful arrest; or

- (h) When the person voluntarily surrenders himself or herself in response to an outstanding warrant of arrest.

Sec. 9. NRS 200.485 is hereby amended to read as follows:

200.485 1. Unless a greater penalty is provided pursuant to subsection 2 or 3 or NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018:

- (a) For the first offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

- (1) Imprisonment in the city or county jail or detention facility for not less than 2 days, but not more than 6 months; and

- (2) Perform not less than 48 hours, but not more than 120 hours, of community service.

➔ The person shall be further punished by a fine of not less than \$200, but not more than \$1,000. A term of imprisonment imposed pursuant to this paragraph may be served intermittently at the discretion of the judge or

justice of the peace, except that each period of confinement must be not less than 4 consecutive hours and must occur at a time when the person is not required to be at his or her place of employment or on a weekend.

(b) For the second offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

(1) Imprisonment in the city or county jail or detention facility for not less than 10 days, but not more than 6 months; and

(2) Perform not less than 100 hours, but not more than 200 hours, of community service.

➡ The person shall be further punished by a fine of not less than \$500, but not more than \$1,000.

(c) For the third ~~(and any subsequent)~~ offense within 7 years, is guilty of a category C felony and shall be punished as provided in NRS 193.130.

2. Unless a greater penalty is provided pursuant to *subsection 3 or* NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, if the battery is committed by strangulation as described in NRS 200.481, is guilty of a category C felony and shall be punished as provided in NRS 193.130 and by a fine of not more than \$15,000.

3. *Unless a greater penalty is provided pursuant to NRS 200.481, a person who has been previously convicted of:*

(a) *A battery which constitutes domestic violence pursuant to NRS 33.018 that is punishable as a felony pursuant to paragraph (c) of subsection 1 or subsection 2; or*

(b) *A violation of the law of any other jurisdiction that prohibits the same or similar conduct set forth in paragraph (a),*

➡ *and who commits a battery which constitutes domestic violence pursuant to NRS 33.018 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years, and shall be further punished by a fine of not less than \$2,000 but more than \$5,000.*

4. In addition to any other penalty, if a person is convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, the court shall:

(a) For the first offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for not less than 6 months, but not more than 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

(b) For the second offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

➡ If the person resides in this State but the nearest location at which counseling services are available is in another state, the court may allow the

person to participate in counseling in the other state in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

~~{4. An}~~

5. *Except as otherwise provided in this subsection, an offense that occurred within 7 years immediately preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of this section when evidenced by a conviction, without regard to the sequence of the offenses and convictions. An offense which is listed in paragraph (a) or (b) of subsection 3 that occurred on any date preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of this section when evidenced by a conviction, without regard to the sequence of the offenses and convictions.* The facts concerning a prior offense must be alleged in the complaint, indictment or information, must not be read to the jury or proved at trial but must be proved at the time of sentencing and, if the principal offense is alleged to be a felony, must also be shown at the preliminary examination or presented to the grand jury.

~~{5.}~~ 6. In addition to any other fine or penalty, the court shall order such a person to pay an administrative assessment of \$35. Any money so collected must be paid by the clerk of the court to the State Controller on or before the fifth day of each month for the preceding month for credit to the Account for Programs Related to Domestic Violence established pursuant to NRS 228.460.

~~{6.}~~ 7. In addition to any other penalty, the court may require such a person to participate, at his or her expense, in a program of treatment for the abuse of alcohol or drugs that has been certified by the Division of Public and Behavioral Health of the Department of Health and Human Services.

~~{7.}~~ 8. If it appears from information presented to the court that a child under the age of 18 years may need counseling as a result of the commission of a battery which constitutes domestic violence pursuant to NRS 33.018, the court may refer the child to an agency which provides child welfare services. If the court refers a child to an agency which provides child welfare services, the court shall require the person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018 to reimburse the agency for the costs of any services provided, to the extent of the convicted person's ability to pay.

~~{8.}~~ 9. If a person is charged with committing a battery which constitutes domestic violence pursuant to NRS 33.018, a prosecuting attorney shall not dismiss such a charge in exchange for a plea of guilty, guilty but mentally ill or nolo contendere to a lesser charge or for any other reason unless the prosecuting attorney knows, or it is obvious, that the charge is not supported by probable cause or cannot be proved at the time of trial. A court shall not grant probation to and, except as otherwise provided in NRS 4.373 and 5.055, a court shall not suspend the sentence of such a person.

~~{9-}~~ 10. As used in this section:

(a) "Agency which provides child welfare services" has the meaning ascribed to it in NRS 432B.030.

(b) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(c) "Offense" includes a battery which constitutes domestic violence pursuant to NRS 33.018 or a violation of the law of any other jurisdiction that prohibits the same or similar conduct.

Sec. 10. NRS 432B.640 is hereby amended to read as follows:

432B.640 1. Upon receiving a referral from a court pursuant to subsection ~~{7}~~ 8 of NRS 200.485, an agency which provides child welfare services may, as appropriate, conduct an assessment to determine whether a psychological evaluation or counseling is needed by a child.

2. If an agency which provides child welfare services conducts an assessment pursuant to subsection 1 and determines that a psychological evaluation or counseling would benefit the child, the agency may, with the approval of the parent or legal guardian of the child:

(a) Conduct the evaluation or counseling; or

(b) Refer the child to a person that has entered into an agreement with the agency to provide those services.

Sec. 11. This act becomes effective;

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks necessary to carry out the provisions of this act; and

2. On January 1, 2018, for all other purposes.

Senator Segerblom moved that the Senate concur in Assembly Amendment No. 1082 to Senate Bill No. 361.

Motion carried by a constitutional majority.

Bill ordered enrolled.

RECEDE FROM SENATE AMENDMENTS

Senator Atkinson moved that the Senate recede from its action on Assembly Bill No. 359.

Motion carried.

Bill ordered transmitted to the Assembly.

REPORTS OF CONFERENCE COMMITTEES

Mr. President:

The Conference Committee concerning Senate Bill No. 258, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that Amendment No. 765 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 1, which is attached to and hereby made a part of this report.

Conference Amendment No. 1.

SUMMARY—Revises provisions ~~{governing common interest communities;}~~ relating to property. (BDR 10-994)

AN ACT relating to ~~{common interest communities;}~~ property; establishing the requirements for a written notice to request the curing of a violation of the governing documents

of ~~for~~ a unit-owners' association without imposition of a fine; establishing provisions relating to property owned by more than one person; and providing other matters properly relating thereto. Legislative Counsel's Digest:

If an owner or a tenant or an invitee of the owner or tenant violates a provision of the governing documents of an association, existing law allows the executive board of the common-interest community to prohibit the owner, tenant or invitee from voting on matters related to the common-interest community or using the common elements. Existing law also permits the executive board to impose a fine on the owner, tenant or invitee for each such violation under certain circumstances. (NRS 116.31031) ~~(This)~~ Section 1 of this bill authorizes an executive board to send a written notice to cure an alleged violation of a provision of the governing documents to an owner and, if different, a person responsible for curing the alleged violation, without the imposition of a fine. ~~(This bill)~~ Section 1 also requires that any such written notice meet certain requirements.

Existing law establishes provisions relating to local improvements, including improvement districts and neighborhood improvement projects. (Chapter 271 of NRS) Section 2 of this bill authorizes certain property owners who own additional property jointly with certain other property owners or who own a fractional interest in additional property as a tenant in common along with certain other property owners to act on behalf of all such property owners in certain circumstances.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN

SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 116.31031 is hereby amended to read as follows:

116.31031 1. Except as otherwise provided in this section, if a unit's owner or a tenant or an invitee of a unit's owner or a tenant violates any provision of the governing documents of an association, the executive board may, if the governing documents so provide:

(a) Prohibit, for a reasonable time, the unit's owner or the tenant or the invitee of the unit's owner or the tenant from:

(1) Voting on matters related to the common-interest community.

(2) Using the common elements. The provisions of this subparagraph do not prohibit the unit's owner or the tenant or the invitee of the unit's owner or the tenant from using any vehicular or pedestrian ingress or egress to go to or from the unit, including any area used for parking.

(b) Impose a fine against the unit's owner or the tenant or the invitee of the unit's owner or the tenant for each violation, except that:

(1) A fine may not be imposed for a violation that is the subject of a construction penalty pursuant to NRS 116.310305; and

(2) A fine may not be imposed against a unit's owner or a tenant or invitee of a unit's owner or a tenant for a violation of the governing documents which involves a vehicle and which is committed by a person who is delivering goods to, or performing services for, the unit's owner or tenant or invitee of the unit's owner or the tenant.

➤ If the violation poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents. If the violation does not pose an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the units' owners or residents of the common-interest community, the amount of the fine must be commensurate with the severity of the violation and must be determined by the executive board in accordance with the governing documents, but the amount of the fine must not exceed \$100 for each violation or a total amount of \$1,000, whichever is less. The limitations on the amount of the fine do not apply to any charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.

(c) *Send a written notice to cure an alleged violation, without the imposition of a fine, to the unit's owner and, if different, the person responsible for curing the alleged violation. Any such written notice must:*

(1) *Include an explanation of the applicable provisions of the governing documents that form the basis of the alleged violation;*

(2) *Specify in detail the alleged violation and the proposed action to cure the alleged violation;*

(3) *Provide a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and*

(4) *Provide the unit's owner or the tenant a reasonable opportunity to cure the alleged violation before the executive board may take additional actions, including, without limitation, other remedies available pursuant to this section.*

2. The executive board may not impose a fine pursuant to subsection 1 against a unit's owner for a violation of any provision of the governing documents of an association committed by an invitee of the unit's owner or the tenant unless the unit's owner:

- (a) Participated in or authorized the violation;
- (b) Had prior notice of the violation; or
- (c) Had an opportunity to stop the violation and failed to do so.

3. If the association adopts a policy imposing fines for any violations of the governing documents of the association, the secretary or other officer specified in the bylaws shall prepare and cause to be hand-delivered or sent prepaid by United States mail to the mailing address of each unit or to any other mailing address designated in writing by the unit's owner, a schedule of the fines that may be imposed for those violations.

4. The executive board may not impose a fine pursuant to subsection 1 unless:

(a) Not less than 30 days before the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the alleged violation; and

(b) Within a reasonable time after the discovery of the alleged violation, the unit's owner and, if different, the person against whom the fine will be imposed has been provided with:

(1) Written notice:

(I) Specifying in detail the alleged violation, the proposed action to cure the alleged violation, the amount of the fine, and the date, time and location for a hearing on the alleged violation; and

(II) Providing a clear and detailed photograph of the alleged violation, if the alleged violation relates to the physical condition of the unit or the grounds of the unit or an act or a failure to act of which it is possible to obtain a photograph; and

(2) A reasonable opportunity to cure the alleged violation or to contest the alleged violation at the hearing.

➡ For the purposes of this subsection, a unit's owner shall not be deemed to have received written notice unless written notice is mailed to the address of the unit and, if different, to a mailing address specified by the unit's owner.

5. The executive board must schedule the date, time and location for the hearing on the alleged violation so that the unit's owner and, if different, the person against whom the fine will be imposed is provided with a reasonable opportunity to prepare for the hearing and to be present at the hearing.

6. The executive board must hold a hearing before it may impose the fine, unless the fine is paid before the hearing or unless the unit's owner and, if different, the person against whom the fine will be imposed:

- (a) Executes a written waiver of the right to the hearing; or
- (b) Fails to appear at the hearing after being provided with proper notice of the hearing.

7. If a fine is imposed pursuant to subsection 1 and the violation is not cured within 14 days, or within any longer period that may be established by the executive board, the violation shall be deemed a continuing violation. Thereafter, the executive board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without providing the opportunity to cure the violation and without the notice and an opportunity to be heard required by paragraph (b) of subsection 4.

8. If the governing documents so provide, the executive board may appoint a committee, with not less than three members, to conduct hearings on alleged violations and to impose fines pursuant to this section. While acting on behalf of the executive board for those limited

purposes, the committee and its members are entitled to all privileges and immunities and are subject to all duties and requirements of the executive board and its members.

9. A member of the executive board shall not participate in any hearing or cast any vote relating to a fine imposed pursuant to subsection 1 if the member has not paid all assessments which are due to the association by the member. If a member of the executive board:

(a) Participates in a hearing in violation of this subsection, any action taken at the hearing is void.

(b) Casts a vote in violation of this subsection, the vote is void.

10. The provisions of this section establish the minimum procedural requirements that the executive board must follow before it may impose a fine. The provisions of this section do not preempt any provisions of the governing documents that provide greater procedural protections.

11. Any past due fine must not bear interest, but may include any costs incurred by the association during a civil action to enforce the payment of the past due fine.

12. If requested by a person upon whom a fine was imposed, not later than 60 days after receiving any payment of a fine, an association shall provide to the person upon whom the fine was imposed a statement of the remaining balance owed.

Sec. 2. Chapter 271 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise provided by law or an agreement between the respective parties, and regardless of the date on which an interest in property was acquired, if a property owner:

1. Owns property that is:

(a) Subject to a covenant, condition or restriction recorded against the property before July 1, 2017; and

(b) Not subject to the provisions of chapter 116 of NRS; and

2. Owns additional property jointly with one or more other such property owners or owns a fractional interest in additional property as a tenant in common along with one or more other such property owners,

any property owners representing at least a majority of the ownership of such additional property may act on behalf of all the property owners who own such additional property.

Sec. 3. 1. This section and section 2 of this act become effective on July 1, 2017.

2. Section 1 of this act becomes effective on October 1, 2017.

TICK SEGERBLOM

NICOLE J. CANNIZZARO

Senate Conference Committee

STEVE YEAGER

JUSTIN WATKINS

Assembly Conference Committee

Senator Segerblom moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 258.

Motion carried by a constitutional majority.

Mr. President:

The Conference Committee concerning Senate Bill No. 432, consisting of the undersigned members, has met, and reports that:

It has agreed to recommend that Amendment No. 886 of the Assembly be concurred in.

It has agreed to recommend that the bill be further amended as set forth in Conference Amendment No. 2, which is attached to and hereby made a part of this report.

Conference Amendment No. 2.

SUMMARY ~~[Authorizes the filing of a motion for]~~ Revises provisions governing proceedings for the termination of parental rights, [as part of a proceeding relating to the abuse or neglect of a child.] (BDR 38-475)

AN ACT relating to public welfare; authorizing the filing of a motion for the termination of parental rights as part of a proceeding relating to the abuse or neglect of a child; establishing provisions concerning the process for the termination of parental rights following the filing of such a motion; requiring the court to conduct a hearing to determine whether to transfer venue for proceedings on a petition for the termination of parental rights under certain circumstances; revising provisions governing in which county a petition for the termination of parental rights may be filed; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes procedures governing the termination of parental rights. (Chapter 128 of NRS) Existing law also establishes procedures governing the protection of children from abuse and neglect. (Chapter 432B of NRS) Section 2 of this bill provides that if a juvenile court determines that a child is in need of protection, an agency which provides child welfare services is authorized to file a motion for the termination of parental rights as part of the proceeding concerning the abuse or neglect of the child. Sections 2 and ~~10.1~~ 10.3 of this bill provide that the provisions of existing law governing the termination of parental rights apply to all proceedings concerning the termination of parental rights that are commenced by an agency which provides child welfare services, but only to the extent they do not conflict with the provisions established in this bill.

Section 3 of this bill establishes provisions concerning notice of the hearing on the motion for the termination of parental rights and requires the court to ensure that any prospective adoptive parent is provided a copy of the notice. Section 3 also provides that the name and address of a prospective adoptive parent generally must be kept confidential. Section 4 of this bill authorizes a party who has been informed of the allegations set forth in the motion to contest such allegations and request an evidentiary hearing or voluntarily relinquish his or her parental rights. Section 5 of this bill authorizes the court to order the parties to the proceeding, any prospective adoptive parent and a representative from an agency which provides child welfare services to participate in mediation for the purpose of negotiating the terms of an open adoption agreement.

Section 6 of this bill authorizes a court to permit a witness or party to the proceeding to testify by telephone or videoconference in certain circumstances during an evidentiary hearing on a motion for the termination of parental rights. Section 7 of this bill requires the court to use its best efforts to ensure that a final written decision on such a motion is rendered not later than 30 days after the conclusion of the evidentiary hearing, and section 8 of this bill requires the appellate court of competent jurisdiction to use its best efforts to ensure that any appeal is resolved not later than 6 months after the appeal is filed or, if the court orders full briefings on the matter, not later than 12 months after the appeal is filed. Section 9 of this bill requires that a petition for the restoration of parental rights be filed as part of a proceeding concerning the abuse or neglect of a child in certain circumstances.

Existing law establishes criteria to determine in which county a petition alleging that a child should be declared free from the custody and control of his or her parent or parents may be filed. (NRS 128.030) Section 10.7 of this bill adds certain criteria to that list.

Section 10.5 of this bill requires the court to conduct a hearing to determine whether to transfer venue for proceedings pursuant to a petition for the termination of parental rights to another county when a parent whose consent is required objects in writing to venue.

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

Section 1. Chapter 432B of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. 1. *The provisions of chapter 128 of NRS, to the extent they do not conflict with the provisions of sections 2 to 9, inclusive, of this act, apply to all proceedings concerning the termination of parental rights that are commenced pursuant to this section by an agency which provides child welfare services.*

2. *If a child is determined to be a child in need of protection pursuant to NRS 432B.550, an agency which provides child welfare services may, at any stage of a proceeding held pursuant to this chapter, file a motion for the termination of parental rights as part of the proceeding.*

Sec. 3. 1. *After a motion for the termination of parental rights is filed pursuant to section 2 of this act, unless a party to be served voluntarily appears and consents to the hearing, and except as otherwise provided in subsection 3, a copy of the motion and notice of the hearing must be served, either together or separately, upon all parties to the proceeding by personal service or, if the whereabouts of the person are unknown, obtaining an order from the court that service may be made by publication in accordance with the procedure set forth in subsections 1, 3, 4 and 5 of NRS 128.070 and subsection 2.*

2. *If a court orders that service be made by publication pursuant to subsection 1 and the person to be served by publication has a last known address, personal service must also be*

attempted before service of the notice is deemed to be complete. The court order must direct the publication to be made in a newspaper designated by the court at least once every week for a period of 4 weeks. If personal service is also attempted, service of the notice shall be deemed to be complete at the expiration of such a period. The provisions of this subsection and subsection 1 must not be construed to preclude personal service and service by publication from being attempted simultaneously.

3. *Service shall be deemed to be complete if a party to be served appears in court for a hearing held pursuant to this chapter and the court provides the party with a copy of the motion, notifies the party of the date of the hearing on the motion and records such service.*

4. *Except as otherwise provided in subsection 5, a copy of the motion and notice of the hearing on the motion must be sent by certified mail to:*

(a) *The attorneys and any guardians ad litem for the child and the parent of the child who is the subject of the motion;*

(b) *If applicable, each Indian tribe of the child who is the subject of the motion, in accordance with NRS 128.023; and*

(c) *Any known relative of the child who is the subject of the motion within the fifth degree of consanguinity who is residing in this State.*

5. *If an attorney has consented to electronic service, a copy of the motion and notice of the hearing on the motion may be sent to the attorney electronically instead of by certified mail.*

6. *The court shall ensure that any prospective adoptive parent of the child who is the subject of the motion is provided with a copy of the notice of the hearing on the motion. Except as otherwise provided in section 5 of this act or another provision of law, the name and address of the prospective adoptive parent must be kept confidential.*

7. *Any party to the proceeding may file a written response to the motion.*

Sec. 4. 1. *At the time stated in the notice of the hearing, or at the earliest time thereafter to which the hearing may be postponed, the parties to the proceeding shall, except as otherwise provided in this subsection, appear in person before the court and must be informed of the specific allegations set forth in the motion for the termination of parental rights. The court may allow a party to participate in the proceeding by telephone or videoconference if he or she is unable to appear in person because he or she is incarcerated outside this State or hospitalized and cannot be transported to the court.*

2. *After a party has been informed of the allegations set forth in the motion, he or she may:*

(a) *Contest such allegations and request an evidentiary hearing, in which case an evidentiary hearing must be scheduled; or*

(b) *Voluntarily relinquish his or her parental rights with or without the possibility of an open adoption agreement established through mediation pursuant to section 5 of this act, in which case a hearing must be scheduled for the purpose of confirming such voluntary relinquishment.*

3. *If an evidentiary hearing is scheduled pursuant to paragraph (a) of subsection 2, the court may also order a party to the proceeding to participate in mediation pursuant to section 5 of this act.*

4. *If a party to the proceeding does not appear at the time stated in the notice and the court determines that he or she was given proper notice pursuant to section 3 of this act, the court may proceed to hear evidence and render its decision or postpone hearing any evidence until an evidentiary hearing is conducted concerning any other party to the proceeding.*

5. *If the court postpones hearing evidence pursuant to subsection 4, further notice to the absent party is required unless the court, in its discretion, considering the facts and circumstances of the case, determines that no additional notice to the absent party is required.*

Sec. 5. 1. *The court may, upon its own motion or the motion of a party to the proceeding, order the parties, any prospective adoptive parent and a representative from an agency which provides child welfare services to participate in mediation for the purpose of negotiating the terms of an open adoption agreement.*

2. *A party to the proceeding may make a motion for mediation at any time after the commencement of a proceeding for the termination of parental rights but not less than 5 judicial days before a scheduled evidentiary hearing.*

3. *Persons ordered to participate in mediation pursuant to subsection 1 shall complete such mediation not later than 60 calendar days after the court issues the order for mediation.*

4. If the persons ordered to participate in mediation agree to the terms of an open adoption, the terms must be set forth in a written agreement at the time of mediation.

Sec. 6. During an evidentiary hearing, at the request of a party to the proceeding, the court may permit a witness to testify by telephone or videoconference if the court determines that it is able to adequately assess witness credibility. Except as otherwise permitted by the court, a party to the proceeding may not testify by telephone or videoconference unless he or she is incarcerated outside this State or hospitalized and cannot be transported to the court.

Sec. 7. The court shall use its best efforts to ensure that a final written decision on a motion for the termination of parental rights which includes detailed findings of fact is rendered not later than 30 days after the conclusion of the evidentiary hearing. Such a decision may be rendered orally in court before being set forth in a written order. The order of the court must include a notice of the right of a party to appeal the decision of the court. The order granting or denying a motion for the termination of parental rights is a final order of the court and the parties have the right to appeal the decision of the court in accordance with chapter 128 of NRS.

Sec. 8. Except as otherwise provided in this section, if a party appeals the decision of the court pursuant to section 7 of this act, the appellate court of competent jurisdiction shall use its best efforts to ensure that the matter is resolved not later than 6 months after the appeal is filed. If the appellate court orders full briefings on the matter, it shall use its best efforts to ensure that the matter is resolved not later than 12 months after the appeal is filed.

Sec. 9. If a person seeks to restore the parental rights of a natural parent or parents pursuant to NRS 128.170 to 128.190, inclusive, and the child whose natural parent or parents have had their parental rights terminated or have relinquished their parental rights is subject to the jurisdiction of the juvenile court pursuant to this chapter, the petition for the restoration of parental rights must be filed as part of a proceeding held pursuant to this chapter.

Sec. 10. Chapter 128 of NRS is hereby amended by adding thereto ~~a new section to read as follows:~~ the provisions set forth as sections 10.3 and 10.5 of this act.

Sec. 10.3. The provisions of this chapter, to the extent they do not conflict with the provisions of sections 2 to 9, inclusive, of this act, apply to all proceedings concerning the termination of parental rights that are commenced pursuant to section 2 of this act by an agency which provides child welfare services.

Sec. 10.5. 1. If a petition for termination of parental rights has been filed and a parent whose consent is required objects in writing to venue, the court must conduct a hearing to determine whether to transfer venue to another county. For the purpose of determining whether to transfer venue to another county, the court shall consider the ease of access to the court for the defendant and the factors set forth in NRS 13.050 and 128.030.

2. For the purpose of conducting a hearing pursuant to subsection 1, a party or witness located in another jurisdiction may testify by telephone or audiovisual or other electronic means.

Sec. 10.7. NRS 128.030 is hereby amended to read as follows:

128.030 A petition alleging that ~~there is or resides within the county~~ a child ~~who~~ should be declared free from the custody and control of his or her parent or parents may be filed at the election of the petitioner in:

1. The county in which the child is found;
2. The county in which the acts complained of occurred; ~~or~~
3. The county in which the child resides ~~if~~;
4. The county in which the child is the subject of another court proceeding;
5. The county in which an agency which provides child welfare services is located;
6. The county in which the guardian or custodian of the child resides;
7. The county in which the defendant resides; or
8. The county in which the convenience of the witnesses and the ends of justice would be promoted.

Sec. 11. 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 section 3 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. 12. This act becomes effective on January 1, 2018.

TICK SEGERBLOM

NICOLE J. CANNIZZARO

Senate Conference Committee

STEVE YEAGER

LESLEY COHEN

Assembly Conference Committee

Senator Segerblom moved that the Senate adopt the report of the Conference Committee concerning Senate Bill No. 432.

Motion carried by a constitutional majority.

APPOINTMENT OF CONFERENCE COMMITTEES

President Hutchison appointed Senators Cancela, Ratti and Goicoechea as a Conference Committee to meet with a like Committee of the Assembly for the further consideration of Senate Bill No. 47.

President Hutchison appointed Senators Cannizzaro, Segerblom and Gansert as a Conference Committee to meet with a like Committee of the Assembly for the further consideration of Senate Bill No. 144.

President Hutchison appointed Senators Farley, Manendo and Gustavson as a Conference Committee to meet with a like Committee of the Assembly for the further consideration of Senate Bill No. 259.

President Hutchison appointed Senators Segerblom, Roberson and Ford as a Conference Committee to meet with a like Committee of the Assembly for the further consideration of Senate Joint Resolution No. 17 of the 78th Session.

REMARKS FROM THE FLOOR

SENATOR HARDY:

When there are poisonous materials in the home, we have a Mr. Yuck on the bottle to warn kids not to eat or drink the item. We have childproof containers that keep children from using medications or getting into other hazardous items. I do not think we can go too far in protecting our children and those are things we should look at rather than listing every candy that exists because as soon as we leave one off, we will find another one.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Education, to which was referred Assembly Bill No. 475, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

MOISES DENIS, *Chair*

Mr. President:

Your Committee on Finance, to which was re-referred Senate Bill No. 121, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass as amended.

JOYCE WOODHOUSE, *Chair*

Mr. President:

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 1127 to Senate Concurrent Resolution No. 11.

KELVIN ATKINSON, *Chair*

Mr. President:

Your Committee on Transportation, to which was referred Assembly Bill No. 399, 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*

MOTIONS, RESOLUTIONS AND NOTICES

Senate Concurrent Resolution No. 11.

Resolution read.

The following amendment was proposed by Senator Spearman:

Amendment No. 1127.

SUMMARY—Urges the Legislative Commission to take certain actions to provide additional services in the Legislative Building for persons who are blind, deaf, hard of hearing or speech impaired. (BDR R-1229)

SENATE CONCURRENT RESOLUTION—Urging the Legislative Commission to take certain actions to provide additional services in the Legislative Building for persons who are blind, deaf, hard of hearing or speech impaired.

WHEREAS, Persons who are differently abled make up a significant part of the population of this State; and

WHEREAS, Persons who are blind, deaf, hard of hearing or speech impaired contribute significantly to the general welfare of the people of this State; and

WHEREAS, Assisting persons who are blind, deaf, hard of hearing or speech impaired to communicate effectively is necessary to maximize such contributions and allow such persons to achieve equality in education, employment and socialization; and

WHEREAS, Services that persons who are blind, deaf, hard of hearing or speech impaired receive from state and local governmental agencies help them communicate effectively, maximizing their contributions and allowing them to achieve greater equality; and

WHEREAS, Persons who are blind, deaf, hard of hearing or speech impaired need the ability to communicate effectively with state and local governmental entities to ensure that such persons receive services that are helpful to them in a manner that ensures their dignity and equality; and

WHEREAS, Persons who are blind, deaf, hard of hearing or speech impaired often have difficulties participating in the legislative process; and

WHEREAS, The Americans With Disabilities Act of 1990, 42 U.S.C. §§ 12101, requires that no individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs or activities of a public entity, or be subjected to discrimination by any such entity; and

WHEREAS, A state government is required under the Americans With Disabilities Act of 1990 to make reasonable modifications in policies, practices and procedures that deny equal access to individuals with disabilities; and

WHEREAS, A person with a disability, including, without limitation, a person who is blind, deaf, hard of hearing or speech impaired and who is unable because of his or her disability to obtain equal access to the services, programs and activities of a state government may bring a lawsuit to enforce their rights and may be awarded attorney's fees as well, resulting in costly litigation for the state government; and

WHEREAS, NRS 218A.150 provides specific authority for the Legislative Commission to approve the expenditure of money appropriated to the Legislative Fund for necessary improvements of the Legislature pursuant to a concurrent resolution; and

WHEREAS, This concurrent resolution is intended to require the issue of accessibility of the Legislature to persons who are blind, deaf, hard of hearing or speech impaired to be studied during the upcoming interim and to carry out some or all of the recommendations for improvements before the next Legislative Session; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs is hereby directed to study and make recommendations to the Legislative Commission regarding the manner in which the Legislature may make the Legislative Building and legislative proceedings more accessible to persons who are blind, deaf, hard of hearing and speech impaired; and be it further

RESOLVED, That the Legislative Commission is hereby urged to:

1. Consider such recommendations from the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs made pursuant to this resolution; and

2. Direct the Legislative Counsel Bureau to adopt as soon as possible any such recommendations and other protocols that the Legislative Commission deems appropriate, including, without limitation:

(a) Providing closed captioning services for all legislative hearings and floor sessions;

(b) Making reasonable accommodations to provide interpreters for those who are deaf, hard of hearing or speech impaired;

(c) Developing and providing auxiliary aids and services for those who are blind or who have low or limited vision; and

(d) Outfitting the Legislative Building in ways that increase accessibility and civic engagement for persons who are blind, deaf, hard of hearing or speech impaired; and be it further

RESOLVED, That the Legislative Commission is hereby authorized to approve expenditures of not more than \$2,000,000 from the Legislative Fund created by NRS 218A.150 to allow the Legislative Counsel Bureau to implement as many recommendations and protocols provided in this resolution as possible before the 80th Session of the Nevada Legislature; and be it further

RESOLVED, That the Legislative Counsel Bureau prepare and submit a report to the 80th Session of the Legislature regarding the recommendations and protocols that were adopted and implemented and identifying the effect of such adoption and implementation.

Senator Spearman moved the adoption of the amendment.

Remarks by Senators Spearman, Kieckhefer, Hammond and Hardy.

SENATOR SPEARMAN:

Amendment No. 1127 to Senate Concurrent Resolution No. 11 adds two "whereas" clauses to the Resolution to specify that NRS 218a.150 provides specific authority for the Legislative Commission to approve the expenditure of money appropriated to the Legislative Fund for necessary improvements of the Legislature pursuant to a concurrent resolution, and the concurrent resolution is intended to require the issue of accessibility of the Legislature to persons who are blind, deaf, hard-of-hearing or speech impaired to be studied during the upcoming interim and to carry out some or all of the recommendations for improvements before the next Legislative Session.

It was necessary to include the NRS reference so it would be known that this was not a new appropriation; the money has already been appropriated. In NRS 218a.150, subsection 4, it states that expenditures from the Legislative Fund for purposes other than those specified in subsection 3, are authorized specifically by another statute and may be only made upon the authority of a concurrent resolution. Hence, the reason for this resolution. We are firmly within our rights in presenting this resolution and that has been verified with the Legal Counsel Bureau.

SENATOR KIECKHEFER:

I rise in support of this amendment to Senate Concurrent Resolution No. 11 as it clarifies the issue about which I was concerned when we first debated the resolution. It states the authority of the Legislative Commission to tap into the Legislative Fund for this purpose, but it will be important for the Legislative Commission to consider the appropriateness of any suggestions and the fiscal ability to do so.

SENATOR HAMMOND:

Is there a definition of "differently abled" you can provide to us? I have searched and have not been able to find one.

SENATOR SPEARMAN:

There are some preambles to bills we have passed this Session that include the term "differently abled" because those who are termed "disabled" sometimes see this as pejorative

language. "Differently abled" is a more positive way of expressing those who have different capabilities that may not be the same as ours.

SENATOR HARDY:

I stand in support of Senate Concurrent Resolution No. 11 and appreciate my colleague's work on this bill. Lines 38 and on discuss approval of not more than \$2 million from the Legislative Fund, created by the quoted NRS code, to allow the LCB to implement as many recommendations and protocols provided in this resolution as possible before the 80th Session of the Nevada Legislature. We have money and use money. This is an appropriate thing to do with it.

Amendment adopted.

Resolution read.

Remarks by Senator Spearman.

Senate Concurrent Resolution No. 11 requires the Legislative Committee on Senior Citizens, Veterans and Adults with Special Needs to study and make recommendations to the Legislative Commission concerning the manner in which the Legislature may make the Legislative Building and legislative proceedings more accessible to persons who are blind, deaf, hard of hearing or speech impaired. The Commission is required to consider such recommendations and, if appropriate, direct the LCB to adopt related recommendations and other protocols as soon as possible. These recommendations may include providing closed-captioning services for all legislative hearings and Floor Sessions; making accommodations to provide interpreters for those who are deaf, hard of hearing, or speech impaired; developing and providing auxiliary aids to individuals who are blind or who have limited vision, and outfitting the Legislative Building to increase accessibility and civic engagement for persons who are blind, deaf, hard of hearing or speech impaired.

The Legislative Commission is authorized to approve expenditures of not more than \$2 million from the Legislative Fund to allow the LCB to implement as many recommendations and protocols as possible prior to the 80th Session of the Nevada Legislature. Finally, the LCB shall prepare and submit a report to the 2019 Legislative Session regarding the recommendations and protocols that were implemented and identifying the effect of such adoption and implementation.

Resolution adopted.

Resolution ordered transmitted to the Assembly.

SECOND READING AND AMENDMENT

Assembly Bill No. 399.

Bill read second time.

The following amendment was proposed by the Committee on Transportation:

Amendment No. 1135.

SUMMARY—Establishes the Nevada State Infrastructure Bank. (BDR 35-1129)

AN ACT relating to transportation; establishing the Nevada State Infrastructure Bank; providing for the governance of the Bank by a Board of Directors; establishing the powers and duties of the Board of Directors; providing for the administration of the Bank by an Executive Director to the extent that certain money is available; establishing the powers and duties of the Executive Director; establishing the Nevada State Infrastructure Bank Fund; authorizing the Bank to perform certain acts in connection with the financing of certain transportation facilities and utility infrastructure;

providing civil immunity for certain persons for certain official actions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Sections 2-36.5 of this bill establish the Nevada State Infrastructure Bank. The purpose of the Bank is to provide loans and other financial assistance to various units of state and local government for the development, construction, repair, improvement, maintenance, decommissioning, operation and ownership of certain transportation facilities and utility infrastructure. Sections 20 and 37.1 of this bill create the Bank within the Department of Transportation and provide for its governance by a Board of Directors. Section 21 of this bill establishes certain powers and duties of the Board of Directors. Section 21 further authorizes the Board of Directors to issue bonds or other securities to raise money to carry out its statutory purposes and powers. Section 21 also requires the Board of Directors to act in a commercially reasonable manner and authorizes the Board of Directors to rely on certain information if it is prepared or presented by certain people or entities. Section 22 of this bill requires the Governor, to the extent that money is available from public or private sources for administrative costs, to appoint an Executive Director to administer, manage and conduct the affairs of the Bank and establishes the powers and duties of the Executive Director. Section 22 also requires that the Executive Director and any employees hired be paid from money allocated to the Bank and appropriated or authorized by the Legislature or the Interim Finance Committee. Section 23 of this bill creates the Nevada State Infrastructure Bank Fund to be administered by the Board of Directors and used exclusively to capitalize and carry out the statutory powers and purpose of the Bank.

Section 24 of this bill establishes certain procedures relating to: (1) applications for a loan or other financial assistance from the Bank in connection with a project to develop, construct, repair, improve, operate, maintain, decommission or own a transportation facility or utility infrastructure; (2) the determination by the Executive Director of eligible projects; and (3) selection by the Board of Directors of projects that qualify to obtain such a loan or assistance. Section 25 of this bill requires a borrower whose project is qualified to receive a loan or other financial assistance to enter into a financing agreement with the Bank and, in case of a loan, to issue some kind of security to the Bank that evidences the borrower's obligation to repay the loan.

Section 26 of this bill authorizes the Bank to act as an insurer or reinsurer in connection with a loan or satisfaction of a related obligation made by the Bank. Section 27 of this bill authorizes the Bank to provide security for any revenue bonds issued by the Bank.

Section 28 of this bill provides that any debt or obligation issued by the Bank is not a debt, liability or obligation of this State or of any political subdivision thereof, or a pledge of the faith and credit of this State or a political subdivision, other than the Bank itself.

If a borrower who has received a loan from the Bank fails to make a payment of any money owed to the Bank, section 29 of this bill authorizes the Bank, under certain circumstances, to require other state agencies that are in possession of money of the State or other money that is allotted or appropriated to the borrower to withhold that money from that borrower and remit it to the Bank to use the money to make the necessary payment to the Bank.

Section 30 of this bill provides a grant of immunity from civil liability to the Board of Directors of the Bank or the officers and employees of the Bank for certain official acts under certain circumstances. Section 31 of this bill exempts the Bank from certain procedural prerequisites that would otherwise be applicable to its actions. Section 32 of this bill exempts the property of the Bank and its income from taxation. Section 33 of this bill exempts the bonds and other securities issued by the Bank from most forms of taxation.

Section 34 of this bill provides that any authority given to a governmental borrower to issue bonds by this bill is supplemental to, and not in lieu of, any existing authority to issue bonds.

Section 35 of this bill also provides that the provisions of this bill are intended to supplement, not supplant, other existing laws concerning the development, construction, repair, improvement, maintenance, decommissioning, operation and ownership of transportation facilities and utility infrastructure and the issuance of bonds and other securities by this State and political subdivisions thereof. However, section 35 also provides that if there is a conflict between those laws and this bill, the provisions of this bill control. Section 35 also provides that a contract for construction on a qualified project funded in whole or in part by a loan or other financial assistance from the Bank is subject to the prevailing wage requirement.

Section 36 of this bill requires the Bank to submit an annual report concerning its activities to the Governor and the Legislature. Section 36.5 of this bill authorizes the divisions of the Department of Transportation, to the extent that money is available for that purpose, to provide technical advice, support and assistance to the Bank.

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

Section 1. Chapter 408 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 36.5, inclusive, of this act.

Sec. 2. *As used in sections 2 to 36.5, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 19, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Bank" means the Nevada State Infrastructure Bank.*

Sec. 4. *"Board of Directors" means the Board of Directors of the Bank.*

Sec. 5. *"Eligible costs" means, as applied to a qualified project to be financed from:*

1. *The federal highway account established by section 23 of this act, the costs that are allowed under applicable federal laws, requirements,*

procedures and guidelines in regard to establishing, operating and providing assistance from the Bank.

2. *The state and local highway account established by section 23 of this act, costs including, without limitation, the cost of preliminary engineering, traffic and revenue studies, environmental studies, right-of-way acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, facilities, sustainability certification and other costs necessary for the qualified project.*

3. *The federal utility infrastructure account established by section 23 of this act, costs including, without limitation, the cost of preliminary engineering, environmental studies, property right acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, equipment, facilities and other nonoperating costs necessary for the qualified project.*

4. *A federal or state and local nonhighway account established by section 23 of this act, costs including, without limitation, the cost of preliminary engineering, traffic and revenue studies, environmental studies, right-of-way acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, equipment, facilities and other nonoperating costs necessary for the qualified project.*

5. *The state and local utility infrastructure account established by section 23 of this act, costs including, without limitation, the cost of preliminary engineering, environmental studies, property right acquisition, legal and financial services associated with the development of the qualified project, construction, construction management, equipment, facilities, sustainability certification and other nonoperating costs necessary for the qualified project.*

Sec. 6. *"Eligible project" means the development, construction, repair, improvement, operation, maintenance, decommissioning or ownership of a transportation facility or utility infrastructure.*

Sec. 7. *"Executive Director" means the Executive Director of the Bank.*

Sec. 8. *"Federal accounts" means the federal highway account, federal nonhighway account and federal utility infrastructure account established pursuant to section 23 of this act.*

Sec. 9. 1. *"Financing agreement" means any agreement entered into between the Bank and a qualified borrower pertaining to a loan or other financial assistance for a qualified project, which may or may not include nonfinancial provisions relating to the qualified project, including, without limitation, terms and conditions relating to the regulation and supervision of the qualified project.*

2. *The term includes, without limitation:*

- (a) A loan agreement;*
- (b) A trust indenture;*
- (c) A security agreement;*

- (d) A reimbursement agreement;
- (e) A guarantee agreement;
- (f) A bond or note; and
- (g) An ordinance or a resolution or similar instrument.

Sec. 10. "Governmental unit" means:

1. The State of Nevada, including, without limitation, any board, commission, agency, department, division or instrumentality thereof;
2. A political subdivision of the State of Nevada, including, without limitation, a county, city, town, school district, general or local improvement district or a combination of two or more of those entities acting jointly, including, without limitation, as a regional transportation commission as defined in NRS 482.1825; and
3. A ~~public or private~~ utility.

Sec. 11. "Loan" means any form of direct financial assistance that is provided by the Bank to a qualified borrower to defray all or part of the anticipated or actual costs of a qualified project and is required to be repaid by the borrower over a period of time.

Sec. 12. "Loan obligation" means a bond, note or other evidence of a qualified borrower's obligation to repay a loan given by the Bank.

Sec. 13. "Other financial assistance" means any use of money by the Bank for the benefit of a qualified borrower, including, without limitation, a grant, contribution, credit enhancement, capital or debt reserve for bonds or other debt instrument financing, an interest rate subsidy, letter of credit or other credit instrument, security for a bond or other debt financing instrument and other lawful forms of financing and methods of leveraging funds that are approved by the Board of Directors and, in the case of money made available to the State by the Federal Government, as allowed by applicable federal law.

Sec. 14. "Project revenue" means any rate, rent, fee, assessment related specifically to the project, charge or other receipt derived or to be derived by a qualified borrower from a qualified project and, if so provided in the applicable financing agreement, derived from any system of which the qualified project is a part or from any other revenue producing facility under the ownership or control of the qualified borrower, including, without limitation, the proceeds of a grant, gift, appropriation or loan, including, without limitation, the proceeds of a loan made by the Bank, investment earnings, payments to a reserve for capital or current expenses, proceeds of insurance or condemnation and proceeds from the sale or other disposition of property.

Sec. 15. "Qualified borrower" means a governmental unit, or an entity established by an agreement between a governmental unit and a private entity, that is authorized to develop, construct, repair, improve, maintain, decommission, operate or own a qualified project.

Sec. 16. "Qualified project" means an eligible project that has been selected by the Bank to receive a loan or other financial assistance.

Sec. 17. "State and local accounts" means the state and local highway account, state and local nonhighway account and state and local utility infrastructure account established by the Bank pursuant to section 23 of this act.

Sec. 18. "Transportation facility" means any existing, enhanced, upgraded or new facility that is used or useful for the safe transport of people, information or goods via one or more modes of transport, including, without limitation, any of the following:

1. A road, railroad, bridge, tunnel, overpass, airport, mass transit, light or commuter rail, conduit, ferry, boat, vessel, parking facility, intermodal or multimodal system or any other mode of transport, including, without limitation, those utilizing autonomous technology, and any rights of way necessary for any eligible transportation facility.

2. Related or ancillary to, or used or useful to provide, operate, maintain or generate revenue for, a facility described in subsection 1, including, without limitation, administrative buildings and other buildings, structures, rest areas, maintenance yards, rail yards, ports of entry or storage facilities, vehicles, rolling stock, energy systems, control, communications and information systems, parking facilities and similar commercial facilities used for the support of or the transportation of persons, information or goods or other related equipment, items or property, including, without limitation, any other property that is needed to operate the facility.

3. All improvements, including equipment necessary to the full utilization of a transportation facility, including, without limitation, site preparation, roads and streets, sidewalks, water supply, outdoor lighting, belt line railroad sidings and lead tracks, bridges, causeways, terminals for railroad, automotive and air transportation and transportation facilities incidental to the project.

Sec. 18.5. "Utility" has the meaning ascribed to it in NRS 408.407.

Sec. 19. "Utility infrastructure" means any infrastructure which allows for the connection of the transmission or distribution system of a utility to a distribution facility installed by a master-planned industrial or business park in conformance with the tariffs of the utility and includes, without limitation, the engineering and construction of the infrastructure.

Sec. 20. 1. The Nevada State Infrastructure Bank is hereby created within the Department.

2. The purpose of the Bank is to provide loans and other financial assistance to various governmental units for the development, construction, repair, improvement, operation, maintenance, decommissioning and ownership of transportation facilities and utility infrastructure as necessary for public purposes, including, without limitation, economic development.

3. The Bank is administered by a Board of Directors consisting of:

(a) The Director of the Department of Transportation or his or her designee;

(b) The State Treasurer or his or her designee;

(c) The Director of the Department of Business and Industry or his or her designee;

(d) The Executive Director of the Office of Economic Development or his or her designee; and

(e) Two representatives of the general public, at least one of whom must reside in a county whose population is 700,000 or more, appointed by the Governor.

4. Each member of the Board of Directors who is appointed pursuant to subsection 3 serves at the pleasure of the appointing authority.

5. A vacancy on the Board of Directors in an appointed position must be filled by the appointing authority in the same manner as the original appointment.

6. The Board of Directors shall elect annually from among its members a Chair and a Vice Chair.

7. Four members of the Board of Directors constitute a quorum for the transaction of business, and the affirmative vote of at least four members of the Board of Directors is required to take action.

8. The members of the Board of Directors are public officers and are subject to all applicable provisions of law, including, without limitation, the provisions of chapter 281A of NRS.

9. A meeting of the Board of Directors must be conducted in accordance with the provisions of chapter 241 of NRS.

10. To the extent that money is available from public or private sources for administrative costs:

(a) Each member of the Board of Directors who is not otherwise an officer or employee of this State is entitled to receive \$100 for each full day of attending a meeting of the Board of Directors.

(b) Each member of the Board of Directors is entitled, while engaged in the business of the Board of Directors, to receive the per diem allowance and travel expenses provided for state officers and employees generally. The per diem allowance and travel expenses provided to a member of the Board of Directors who is an officer or employee of this State or a political subdivision of this State must be paid by the state agency or political subdivision that employs him or her.

~~10.7~~ 11. A member of the Board of Directors 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 Board of Directors and perform any work necessary to carry out the duties of the Board of Directors 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 Board of Directors to:

(a) Make up the time the member is absent from work to carry out his or her duties as a member of the Board of Directors; or

(b) Take annual leave or compensatory time for the absence.

Sec. 21. 1. *The Board of Directors may:*

(a) *Make, and from time to time amend and repeal, bylaws not inconsistent with sections 2 to 36.5, inclusive, of this act to carry into effect the powers and purposes of sections 2 to 36.5, inclusive, of this act.*

(b) *Sue and be sued in the name of the Bank.*

(c) *Have a seal and alter the same at the pleasure of the Board of Directors, but the failure to affix the seal does not affect the validity of an instrument executed on behalf of the Bank.*

(d) *Make loans to qualified borrowers to finance all or part of the eligible costs of a qualified project.*

(e) *Provide qualified borrowers with other financial assistance necessary to defray all or part of the eligible costs of a qualified project.*

(f) *Acquire, hold and sell loan obligations at such prices and in such a manner as the Board of Directors deems advisable.*

(g) *Enter into contracts, arrangements and agreements with qualified borrowers and other persons and execute and deliver all financing agreements and other instruments necessary or convenient to carry out the powers and duties of the Board of Directors.*

(h) *Enter into agreements with a department, agency or instrumentality of the United States or governmental unit of this State or another state for the purpose of providing for the financing of qualified projects.*

(i) *Establish:*

(1) *Policies and procedures to govern the selection of qualified projects and the issuance and administration of loans and other financial assistance provided by the Bank; and*

(2) *Fiscal controls and accounting procedures to ensure proper accounting and reporting by the Bank and qualified borrowers.*

(j) *Acquire, by purchase, lease, donation or other lawful means, real or personal property and any interest therein.*

(k) *Sell, convey, pledge, lease, exchange, transfer and dispose of all or any part of the property and assets of the Bank.*

(l) *Procure insurance, guarantees, letters of credit and other forms of collateral or security or credit support for the payment of bonds or other securities issued by the Bank and the payment of premiums or fees on such insurance, guarantees, letters of credit and other forms of collateral or security or credit support.*

(m) *Collect or authorize the trustee under any trust indenture that secures any bonds or other securities issued by the Bank to collect amounts due from a qualified borrower under any loan obligation owned by the Bank, including, without limitation, taking any lawful action required to obtain payment of any sums in default.*

(n) *Unless restricted by the terms of an agreement with the holders of bonds or other securities issued by the Bank, consent to any modification of the terms of any loan obligations owned by the Bank, including, without*

limitation, the rate of interest, period of repayment and payment of any installment of principal or interest.

(o) Borrow money through the issuance of bonds and other securities as provided in sections 2 to 36.5, inclusive, of this act.

(p) Incur expenses to obtain accounting, management, legal or financial consulting and other professional services necessary to the operations of the Bank.

(q) To the extent that money is available from public or private sources of administrative costs, pay any costs incurred for the administration of the operations of the Bank.

(r) Establish advisory committees, which may include persons from the private sector with civil engineering, banking and financial expertise.

(s) Procure insurance against losses in connection with the Bank's property, assets or activities, including, without limitation, insurance against liability for any act of the Bank or its employees or agents, or establish cash reserves to enable the Bank to act as a self-insurer against such losses.

(t) Impose and collect fees and charges in connection with the activities of the Bank.

(u) Apply for, receive and accept from any source aid grants or contributions of money, property, labor or other things of value to be used to carry out the statutory purposes and powers of the Bank.

(v) Enter into contracts, arrangements or agreements for the servicing and processing of financial agreements.

(w) Accept and hold, with payment of interest, money deposited with the Bank.

(x) Request technical advice, support and assistance from the divisions of the Department.

(y) Do all other things necessary or convenient to exercise any power granted or reasonably implied by sections 2 to 36.5, inclusive, of this act.

2. Except as otherwise provided in sections 2 to 36.5, inclusive, of this act, the Bank may exercise any fiscal power granted to the Bank in sections 2 to 36.5, inclusive, of this act, without the review or approval of any other department, division or agency of the State or any political subdivision thereof, except for the Board of Directors.

3. In exercising the powers and performing the functions set forth in sections 2 to 36.5, inclusive, of this act, the members of the Board of Directors:

(a) Must act in a commercially reasonable manner and in the interests of this State. For the purposes of this paragraph, the interests of this State include, without limitation, the public welfare and economy of this State and the long-term and short-term interests of this State.

(b) May, unless a member of the Board of Directors has knowledge concerning a matter in question that would cause reliance thereon to be unwarranted, rely on information, opinions, reports, books of account or

statements, including, without limitation, financial statements and other financial data, that are prepared or presented by:

(1) One or more members of the Board of Directors or officers or employees of the Bank reasonably believed to be reliable and competent in the matters prepared or presented;

(2) Counsel, public accountants, financial advisers, valuation advisers, investment bankers, engineers, architects or other persons as to matters reasonably believed to be within the professional or expert competence of the preparer or presenter; or

(3) A committee on which the director or officer relying thereon does not serve, as to matters within the designated authority of the committee and matters on which the committee is reasonably believed to merit confidence.

4. This section does not authorize the Bank to be or conduct business as a:

(a) Bank or trust company within the jurisdiction of title 55 of NRS or under the control of an agency of United States or this State; or

(b) Bank, banker or dealer in securities within the meaning of, or subject to the provisions of, any securities, securities exchange or securities dealers' laws of the United States or of this State.

~~4.4~~ 5. The Bank must, before accepting a deposit from any person or governmental unit, provide a notice to the depositor stating that the deposit is not insured by the Federal Deposit Insurance Corporation.

~~5.1~~ 6. The provisions of titles 55, 56 and 57 of NRS do not apply to the Bank.

Sec. 22. 1. The Governor shall, to the extent that money is available from public or private sources for administrative costs, appoint an Executive Director of the Bank. The Executive Director is in the unclassified service of the State and serves at the pleasure of the Governor.

2. The Executive Director shall administer, manage and conduct the business and affairs of the Bank subject to the direction of the Board of Directors, any conditions that the Board of Directors may from time to time prescribe or as delegated by the Board of Directors. Except as otherwise provided in this subsection, the Executive Director may exercise any power, function or duty conferred by law on the Bank in connection with the administration, management and conduct of the business and affairs of the Bank, including, without limitation:

(a) Hiring, to the extent that money is available from public or private sources for administrative costs, such employees in either the classified or unclassified service of the State as are necessary to carry out the statutory purposes and powers of the Bank.

(b) Entering into contracts concerning investments, guarantees or credit enhancements.

(c) Establishing procedures, guidelines, criteria, terms, conditions or other requirements of any contract, bond, loan, grant or program in order to

carry out the intents and purposes of the Bank in authorizing the contract, bond, loan, grant or other program.

(d) Declining to guarantee any risk or to enter into any contract.

(e) Reinsuring any risk or any part of any risk, as provided in section 26 of this act.

(f) Making rules for payments through the Bank and determining to whom and through whom the payments are to be made.

(g) Investing and reinvesting any money belonging to the Bank.

(h) Entering into any contract or agreement, executing any instrument, conducting all business and affairs and performing any act necessary or convenient to carrying out the statutory purposes and powers of the Bank.

(i) Executing any instrument or performing any act necessary or convenient to carry out his or her duties pursuant to sections 2 to 36.5, inclusive, of this act.

3. The Executive Director and any employees hired pursuant to this section must be paid by the Bank from money allocated to the Bank and appropriated or authorized by the Legislature or the Interim Finance Committee.

Sec. 23. 1. The Nevada State Infrastructure Bank Fund is hereby created as an enterprise fund. The Fund is a continuing fund without reversion.

2. The Fund is administered by the Board of Directors.

3. The Board of Directors may establish accounts and subaccounts within the Fund, but shall establish, without limitation:

(a) A federal highway account;

(b) A federal nonhighway account;

(c) A state and local highway account;

(d) A state and local nonhighway account;

(e) A state and local utility infrastructure account; and

(f) A federal utility infrastructure account.

4. Except as otherwise provided in subsection 7, all money received by the Bank pursuant to sections 2 to 36.5, inclusive, of this act must be deposited in the Fund.

5. The Bank may accept for deposit into the Fund:

(a) Any money appropriated by the Legislature or authorized for allocation by the Interim Finance Committee;

(b) Federal funds made available to the State;

(c) Gifts, grants, donations and contributions from a governmental unit, private entity or any other source;

(d) Any money paid or credited to the Bank, by contract or otherwise, including, without limitation:

(1) Payment of principal and interest on a loan or other financial assistance provided to a qualified borrower by the Bank; and

(2) Interest earned from the investment or reinvestment of the Bank's money pursuant to section 26 of this act;

(e) Proceeds from the issuance of bonds or other securities pursuant to section 21 of this act; and

(f) Any other lawful source of money that is made available to the Bank and is not already dedicated for another purpose.

6. The Bank shall comply with all applicable federal laws governing the use of federal funds, including, without limitation, statutes and regulations governing:

(a) Any conditions or limitations on expenditures;

(b) Reporting; and

(c) The commingling of federal funds.

7. Earnings on balances in the federal accounts must be credited and invested in accordance with federal law. Earnings on state and local accounts must be deposited in the Fund to the credit of the state and local highway account, state and local nonhighway account or state and local utility infrastructure account that generates the earnings.

8. Money in the Fund may be used only:

(a) For the capitalization of the Bank; and

(b) To carry out the statutory purposes and powers of the Bank.

9. A local government may use money from any source that is made available to the local government for the purposes of developing, constructing, repairing, improving, operating, maintaining, decommissioning or owning a transportation facility or utility infrastructure or for any other purpose set forth in sections 2 to 36.5, inclusive, of this act, to make a gift, grant, donation or contribution to the Bank or to satisfy any obligation owed by the local government to the Bank, including, without limitation, payments of principal and interest.

Sec. 24. 1. A governmental unit, or an entity established by agreement between a governmental unit and a private entity, that wishes to obtain a loan or other financial assistance from the Bank to develop, construct, repair, improve, operate, maintain, decommission or own an eligible project must apply to the Bank in the manner prescribed by the Bank.

2. The Executive Director shall:

(a) Review each application and determine whether the transportation facility or utility infrastructure described in the application is an eligible project; and

(b) At the request of the Board of Directors, submit information to the Board of Directors concerning any eligible project.

3. The Board of Directors shall, from time to time, designate qualified projects from among the eligible projects. The Board of Directors may give preference to an eligible project that has demonstrated local financial support.

4. The Bank may provide a loan and other financial assistance to a qualified borrower to pay for all or part of the eligible costs of a qualified project. The term of the loan or other financial assistance may not exceed the anticipated useful life of the qualified project. A loan or other financial

assistance may be provided in anticipation of reimbursement for or direct payment of all or part of the eligible costs of a qualified project.

5. The Bank shall determine the form and content of a loan application, financing agreement or loan obligation, including, without limitation:

(a) The period for repayment and the rate or rates of interest on a loan; and

(b) Any nonfinancial provisions included in a financing statement or loan obligation, including, without limitation, terms and conditions relating to the regulation and supervision of a qualified project.

➡ Such form and content must substantially conform with the documents typically used for such transactions.

6. The terms and conditions set forth in a financing agreement or loan obligation for a loan or other financial assistance provided by the Bank using money from a federal account must comply with all applicable federal requirements.

Sec. 25. 1. A qualified borrower that wishes to obtain a loan or other financial assistance from the Bank must enter into a financing agreement with the Bank and may be required to issue a loan obligation to the Bank. Except as otherwise provided by specific statute, a qualified borrower entering into a financing agreement with the Bank or issuing a loan obligation to the Bank may perform any act, take any action, adopt any proceedings and make and carry out any contract or agreement with the Bank as may be agreed to by the Bank and the qualified borrower for carrying out the purposes contemplated by sections 2 to 36.5, inclusive, of this act.

2. A qualified borrower may, in addition to any authorization set forth in this section, use any authorization granted by any other statute that allows the qualified borrower to borrow money and issue obligations in obtaining a loan or other financial assistance from the Bank to the extent determined necessary or useful by the qualified borrower in connection with any financing agreement or the issuance, securing or sale of a loan obligation to the Bank.

3. A qualified borrower may:

(a) Receive, apply, pledge, assign and grant security interests in its project revenues to secure its loan obligations as provided in sections 2 to 36.5, inclusive, of this act; and

(b) Impose and collect fees, rates, rents, assessments and other charges of general or special application for the operation of a qualified project, the system of which the qualified project is a part and any other revenue producing facilities from which the qualified borrower derives project revenues to meet its loan obligations under a financing agreement or to otherwise provide for the development, construction, repair, improvement, operation, maintenance, decommissioning or ownership of a qualified project.

Sec. 26. 1. *The Bank may provide insurance or reinsurance of loans or portions thereof, or their debt service, including, without limitation, amounts payable as premiums or penalties in the event of mandatory or optional prepayment, made to finance a qualified project, and to provide insurance or reinsurance or reserves, or portions thereof, or the yield therefrom, established to secure bonds or other securities issued to fund those loans or reserves.*

2. *The Bank may:*

(a) *Arrange an agreement for insurance or reinsurance with a user, mortgagor, lending institution, insurer or any other entity authorized to arrange such agreements in this State; and*

(b) *Enter into an agreement for insurance or reinsurance with any insurer authorized to reinsure or insure such risks in this State.*

3. *The Bank may fix a rate or rates of premium for insurance or reinsurance. The rates are not required to be uniform and may reflect any risk and classification of risk that the Bank determines to be reasonable.*

4. *The Bank may exercise any other power that is necessary or incidental to insurance, reinsurance and related matters.*

5. *The Bank shall make reasonable provisions for the security of loans made by the Bank, and any insurance, reinsurance and other financing arrangements negotiated by the Bank.*

6. *Any insurance or reinsurance provided by the Bank does not constitute a debt or pledge of the faith and credit of the State or any subdivision of the State.*

Sec. 27. *The Bank may provide security for any issue of revenue bonds by the Bank through any commonly accepted financial instrument, including, without limitation:*

1. *A deed of trust on the resources, facilities and revenues of one or more qualified projects financed by the Bank;*

2. *A credit enhancement, including, without limitation, a letter of credit, bond insurance or surety bond provided by a private financial institution; and*

3. *Insurance, reinsurance or a guarantee provided by the Bank itself.*

Sec. 28. 1. *Any obligation to a third person made by the Bank, including, without limitation, a bond or other security issued by the Bank pursuant to section 21 of this act and any insurance, reinsurance or reserve provided by the Bank pursuant to section 26 of this act:*

(a) *Does not constitute a debt, liability or obligation of this State or any political subdivision thereof, or a pledge of the faith and credit of this State or any political subdivision thereof, but is payable solely from the revenues or assets of the Bank; and*

(b) *Must contain on the face thereof a statement to the effect that the Bank is not obligated to pay the obligation or any interest thereon except from the revenues or assets, if any, pledged therefor and that neither the faith and*

credit nor the taxing power of this State or any political subdivision thereof is pledged to the payment of the principal of or the interest on the obligation.

2. Except as otherwise provided in subsection 3, this section does not prohibit the Bank from:

(a) Pledging the full faith and credit of the Bank for the satisfaction of any obligation to a third person made by the Bank; or

(b) Issuing a bond guarantee or credit enhancement for bonds issued by a qualified borrower.

3. Notwithstanding any provision in sections 2 to 36.5, inclusive, of this act to the contrary, the Bank shall not act as a surety or guarantor for a private utility or any other private company, association or corporation.

Sec. 29. 1. Except as otherwise provided in this section, if a qualified borrower that has obtained a loan or other financial assistance from the Bank fails to remit in full any amount due to the Bank on the date on which the amount is due under the terms of any note or other loan obligation given to the Bank by the qualified borrower, the Bank shall notify the appropriate state agencies or officers, including, without limitation, the State Controller, who shall withhold all or a portion of any state money or other money administered by the State and its agencies, boards and instrumentalities that is allotted or appropriated to the qualified borrower and apply an amount necessary to the payment of the amount due.

2. This section does not authorize the State or an agency, board or instrumentality thereof, or the State Controller, to withhold any money allocated or appropriated to a qualified borrower if to do so would violate the terms of:

(a) An appropriation by the Legislature;

(b) Any federal law;

(c) A contract to which the State is a party;

(d) A contract to which a governmental unit or qualified borrower is a party; or

(e) A judgment of a court that is binding upon the State.

Sec. 30. The Board of Directors and any member thereof, and any officer, employee, agent or committee member of the Bank is not liable in a civil action for any act performed on behalf of the Bank in good faith and within the scope of their duties or the exercise of their authority pursuant to sections 2 to 36.5, inclusive, of this act.

Sec. 31. Except as otherwise provided in sections 2 to 36.5, inclusive, of this act, and notwithstanding any other provision of law, the Bank is not required to provide any notice or publication or to conduct any hearing or other proceeding before performing any act authorized in sections 2 to 36.5, inclusive, of this act.

Sec. 32. The Bank is an instrumentality of this State, and its property and income are exempt from all taxation by this State and any political subdivision thereof.

Sec. 33. 1. *Except as otherwise provided in subsection 2, bonds and other securities issued by the Bank pursuant to the provisions of sections 2 to 36.5, inclusive, of this act, their transfer and the income therefrom must forever be and remain free and exempt from taxation by this State or any subdivision thereof.*

2. *The provisions of subsection 1 do not apply to the tax on estates imposed pursuant to the provisions of chapter 375A of NRS or the tax on generation-skipping transfers imposed pursuant to the provisions of chapter 375B of NRS.*

Sec. 34. *Notwithstanding any provision in sections 2 to 36.5, inclusive, of this act to the contrary, sections 2 to 36.5, inclusive, of this act are supplemental to, and not in lieu of, the right of any qualified borrower to issue general obligation bonds or other bonds that the qualified borrower is otherwise lawfully authorized to issue.*

Sec. 35. 1. *To the extent possible, the provisions of sections 2 to 36.5, inclusive, of this act are intended to supplement other statutory provisions governing the development, construction, repair, improvement, maintenance, decommissioning, operation and ownership of transportation facilities and utility infrastructure and the issuance of bonds and other securities by this State or a political subdivision thereof, and such other provisions must be given effect to the extent that those provisions do not conflict with the provisions of sections 2 to 36.5, inclusive, of this act. If there is a conflict between such other provisions and the provisions of sections 2 to 36.5, inclusive, of this act, the provisions of sections 2 to 36.5, inclusive, of this act control.*

2. *The provisions of NRS 338.013 to 338.090, inclusive, apply to any contract for construction work on a qualified project if all or part of the costs of the qualified project are paid for using a loan or other financial assistance from the Bank. The Bank, the qualified borrower, any contractor who is awarded a contract or enters into an agreement to perform construction work on the qualified project, and any subcontractor who performs any portion of the construction work shall comply with the provisions of NRS 338.013 to 338.090, inclusive, in the same manner as if a public body had undertaken the qualified project or had awarded the contract.*

Sec. 36. *The Board of Directors shall, not later than 90 days after the end of each fiscal year:*

1. *Prepare a report on the operations of the Bank during that year.*

2. *Submit the report prepared pursuant to subsection 1 to:*

(a) *The Governor; and*

(b) *The Director of the Legislative Counsel Bureau for transmittal to:*

(1) *If the report is prepared in an even-numbered year, the next regular session of the Legislature; or*

(2) *If the report is prepared in an odd-numbered year, the Legislative Commission.*

Sec. 36.5. *Any division of the Department may, to the extent that money is available for that purpose, provide technical advice, support and assistance to the Bank.*

Sec. 36.6. NRS 408.111 is hereby amended to read as follows:

408.111 1. The Department consists of a Director, two Deputy Directors, a Chief Engineer and the following ~~divisions~~ :

- (a) Administrative Division.
- (b) Operations Division.
- (c) Engineering Division.
- (d) Planning Division.
- (e) *Nevada State Infrastructure Bank.*

2. The head of a Division is an assistant director. Assistant directors are in the unclassified service of the State.

Sec. 36.7. NRS 408.116 is hereby amended to read as follows:

408.116 *Except as otherwise provided in sections 2 to 36.5, inclusive, of this act:*

1. All legal notices, writs, service and process issued or ordered by a court of competent jurisdiction wherein the Department is named as a defendant must be personally served upon both the Director and the Chair of the Board or, in the absence of the Director and the Chair of the Board, the process must be served personally upon both the Secretary of State and one of the Deputy Directors.

2. All legal actions brought and defended by the Department must be in the name of the State of Nevada on relation of its Department.

3. This section is not a consent on the part of the Department to be sued.

Sec. 36.8. NRS 408.131 is hereby amended to read as follows:

408.131 ~~The~~ *Except as otherwise provided in sections 2 to 36.5, inclusive, of this act, the Board shall:*

1. Consider, at its meetings, all questions relating to the general policy of the Department and transact such business as properly comes before it.

2. Receive and consider, at such time as the Board selects, an annual report by the Director.

3. Except as otherwise provided in NRS 408.203, act for the Department in all matters relating to recommendations, reports and such other matters as the Board finds advisable to submit to the Legislature.

4. Maintain a record of all proceedings of the Board.

5. Execute or approve all instruments and documents in the name of the State or the Department necessary to carry out the provisions of this chapter.

6. Except as otherwise provided in NRS 408.389, delegate to the Director such authority as it deems necessary under the provisions of this chapter.

7. Act by resolution, vote or order entered in its records.

Sec. 36.9. NRS 408.172 is hereby amended to read as follows:

408.172 1. Subject to the approval of the Board, the Attorney General shall, immediately upon request by the Board, appoint an attorney at law as

the Chief Counsel of the Department, and such assistant attorneys as are necessary. Attorneys so appointed are deputy attorneys general.

2. ~~[The]~~ *Except as otherwise provided in sections 2 to 36.5, inclusive, of this act, the* Chief Counsel shall act as the attorney and legal adviser of the Department in all actions, proceedings, hearings and all matters relating to the Department and to the powers and duties of its officers.

3. Under the direction of or in the absence of the Chief Counsel, the assistant attorneys may perform any duty required or permitted by law to be performed by the Chief Counsel.

4. The Chief Counsel and assistant attorneys are in the unclassified service of the State.

5. ~~[All]~~ *Except as otherwise provided in sections 2 to 36.5, inclusive, of this act, all* contracts, instruments and documents executed by the Department must be first approved and endorsed as to legality and form by the Chief Counsel.

Sec. 37. (Deleted by amendment.)

Sec. 37.1. NRS 408.175 is hereby amended to read as follows:

408.175 1. The Director shall:

(a) Appoint one Deputy Director who in the absence, inability or failure of the Director has full authority to perform any duty required or permitted by law to be performed by the Director.

(b) Appoint one Deputy Director for southern Nevada whose principal office must be located in an urban area in southern Nevada.

(c) Appoint one Deputy Director with full authority to perform any duty required or allowed by law to be performed by the Director to implement, manage, oversee and enforce any environmental program of the Department. The Deputy Director described in this paragraph shall coordinate the implementation of NRS 408.441 to 408.451, inclusive, with the State Department of Conservation and Natural Resources.

(d) ~~[Employ]~~ *Except as otherwise provided in section 22 of this act, employ* such engineers, engineering and technical assistants, clerks and other personnel as in the Director's judgment may be necessary to the proper conduct of the Department and to carry out the provisions of this chapter.

2. Except as otherwise provided in NRS 284.143, the Deputy Directors shall devote their entire time and attention to the business of the office and shall not pursue any other business or occupation or hold any other office of profit.

3. The Director may delegate such authority as may be necessary for the Deputy Director appointed pursuant to paragraph (b) of subsection 1 to carry out his or her duties.

Sec. 37.2. NRS 408.205 is hereby amended to read as follows:

408.205 1. With the approval of the Board, the Director may execute all plans, specifications, contracts and instruments in the name of the State of Nevada necessary for the carrying out of the provisions of this chapter,

except *as otherwise provided in sections 2 to 36.5, inclusive, of this act and except* those construction contracts as provided in NRS 408.327 and 408.347.

2. The Director has such other power and authority as is necessary and proper under the provisions of this chapter, or as the Board delegates to the Director.

3. The Director shall provide for the purchase of United States Savings Bonds or similar United States obligations by salary or wage deductions for officers and employees of the Department who make written requests for such deductions and purchases. To allow all Department officers and employees the opportunity of requesting salary or wage deductions for the purchase of United States obligations, the Director shall provide forms authorizing the deductions and purchases and shall make them readily available to all Department officers and employees.

Sec. 37.3. NRS 408.215 is hereby amended to read as follows:

408.215 1. The Director has charge of all the records of the Department, keeping records of all proceedings pertaining to the Department and keeping on file information, plans, specifications, estimates, statistics and records prepared by the Department, except *as otherwise provided in sections 2 to 36.5, inclusive, of this act and except* those financial statements described in NRS 408.333 and the financial or proprietary information described in paragraph (c) of subsection 6 of NRS 408.3886, which must not become matters of public record.

2. The Director may photograph, film, place an image of on microfilm, save as an image in an electronic recordkeeping system or dispose of the records of the Department referred to in subsection 1 as provided in NRS 239.051, 239.080 and 239.085.

3. The Director shall maintain an index or record of deeds or other references of title or interests in and to all lands or interests in land owned or acquired by the Department.

4. The Director shall adopt such regulations as may be necessary to carry out and enforce the provisions of this chapter.

Sec. 37.4. NRS 408.225 is hereby amended to read as follows:

408.225 Except as otherwise provided in NRS 408.323 ~~to~~ *and in sections 2 to 36.5, inclusive, of this act*, the Director, with the approval of the Board, may rent, lease, purchase and contract for all equipment, materials, supplies, vehicles, road machinery, tools, implements and technical services required for the purpose of this chapter. Such equipment, supplies and services must be managed and used under the control of the Director.

Sec. 37.5. NRS 408.265 is hereby amended to read as follows:

408.265 ~~All~~ *Except as otherwise provided in sections 2 to 36.5, inclusive, of this act*, all money received from the Government of the United States and by virtue of the provisions of any Act of Congress for the engineering, planning, surveying, acquiring of property, constructing, reconstructing or improving of any highway in the State must be put into the

State Treasury and become a part of the State Highway Fund and that Fund must not be used for any other purpose.

Sec. 37.6. NRS 408.389 is hereby amended to read as follows:

408.389 1. Except as otherwise provided in subsection 2 ~~and~~ *sections 2 to 36.5, inclusive, of this act*, the Department shall not purchase any equipment which exceeds \$50,000, unless the purchase is first approved by the Board.

2. Before the Board may approve the purchase of any mobile equipment which exceeds \$50,000, the Department shall:

(a) Prepare and present to the Board an analysis of the costs and benefits, including, without limitation, all related personnel costs, that are associated with:

(1) Purchasing, operating and maintaining the same item of equipment;

(2) Leasing, operating and maintaining the same item of mobile equipment; or

(3) Contracting for the performance of the work which would have been performed using the mobile equipment; and

(b) Justify the need for the purchase based on that analysis.

3. The Board shall not:

(a) Delegate to the Director its authority to approve purchases of equipment pursuant to subsection 1; or

(b) Approve any purchase of mobile equipment which exceeds \$50,000 and for which the Department is unable to provide justification pursuant to subsection 2.

Sec. 37.7. NRS 338.080 is hereby amended to read as follows:

338.080 ~~None~~ *Except as otherwise provided in section 35 of this act, none of the provisions of NRS 338.020 to 338.090, inclusive, apply to:*

1. Any work, construction, alteration, repair or other employment performed, undertaken or carried out, by or for any railroad company or any person operating the same, whether such work, construction, alteration or repair is incident to or in conjunction with a contract to which a public body is a party, or otherwise.

2. Apprentices recorded under the provisions of chapter 610 of NRS.

3. Any contract for a public work whose cost is less than \$250,000. A unit of the project must not be separated from the total project, even if that unit is to be completed at a later time, in order to lower the cost of the project below \$250,000.

4. Any contract for a public work or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property to which a charter school is a party, notwithstanding any other provision of law.

5. A public work of, or constructed by, a charter school, or any other construction, alteration, repair, remodeling or reconstruction of an improvement or property of or constructed by a charter school, notwithstanding any other provision of law.

Sec. 38. 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. 39. 1. This act becomes effective upon passage and approval for the purposes of establishing the Nevada State Infrastructure Bank and appointing the Board of Directors.

2. For all other purposes, this act becomes effective on the date on which the Director of the Department of Transportation notifies the Governor and the Director of the Legislative Counsel Bureau that sufficient money is available to capitalize and carry out the business of the Nevada State Infrastructure Bank created by section 20 of this act.

Senator Farley moved the adoption of the amendment.

Remarks by Senator Farley.

Amendment No. 1135 to Assembly Bill No. 399 provides that members of the Board of Directors are public officers and that they must act in good faith in a commercially reasonable manner.

Amendment adopted.

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

Assembly Bill No. 475.

Bill read second time.

The following amendment was proposed by the Committee on Education:

Amendment No. 1134.

SUMMARY—Revises provisions relating to education. (BDR 31-975)

AN ACT relating to education; authorizing the Board of Trustees of the College Savings Plans of Nevada to delegate certain powers and duties relating to the Nevada Higher Education Prepaid Tuition Program to the State Treasurer; requiring the Board of Trustees of the College Savings Plans of Nevada to establish the Nevada College Kick Start Program; revising the membership of the Board; authorizing certain qualified beneficiaries to apply unused prepaid tuition benefits toward graduate-level studies; providing that the Nevada Higher Education Prepaid Tuition Trust Fund consists, in part, of payments received pursuant to a loan made to the Trust Fund for purposes of the fiscal stabilization of the Nevada Higher Education Prepaid Tuition Program; revising provisions governing the authorized investments of property of the Trust Fund; transferring the duty to adopt regulations governing the Nevada College Savings Program from the State Treasurer to the Board; requiring the transfer of money in accounts created under the Program to the Endowment Account in the State General Fund under certain circumstances; revising provisions governing the expenditures authorized from the Endowment Account; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Board of Trustees of the College Savings Plans of Nevada was created under existing law to oversee the Nevada Higher Education Prepaid Tuition

Program and the Nevada College Savings Program. The State Treasurer or his or her designee serves as the Chair of the Board. (NRS 353B.001-353B.370) Section 2 of this bill revises the membership of the Board to: (1) provide that the State Treasurer or his or her designee serves as an ex officio nonvoting member; and (2) add a new voting member who is appointed by the Governor. Section 2 also provides for the selection of the Chair of the Board by the voting members of the Board.

Under existing law, the Board is required to develop and maintain the Nevada Higher Education Prepaid Tuition Program for the prepayment of the tuition of the beneficiary of a prepaid tuition contract at an eligible in-state or out-of-state public or private university, college or community college. The tuition paid under the contract is at a guaranteed rate based on an annual actuarial study for undergraduate studies at a university, state college or community college that is a member of the Nevada System of Higher Education. (NRS 353B.090) Existing law also: (1) creates the Nevada Higher Education Prepaid Tuition Trust Fund for the deposit of payments under prepaid tuition contracts and other sources of money for the Program and requires the State Treasurer to administer the Trust Fund; and (2) sets forth certain powers and duties of the Board relating to promotion, investment and contracting services for the Program and the Trust Fund. (NRS 353B.010-353B.190)

Section 1.3 of this bill authorizes the Board to delegate to the State Treasurer those powers and duties necessary for the efficient and effective administration of the Nevada Higher Education Prepaid Tuition Program and the Trust Fund. Under existing law, the Board is authorized to make such a delegation to the State Treasurer with respect to the Nevada College Savings Program and the Nevada College Savings Program Trust Fund. (NRS 353B.320)

Section ~~1.1~~ 1.5 of this bill requires the Board to establish the Nevada College Kick Start Program to create college savings accounts for pupils enrolled in kindergarten in public schools in Nevada who are residents of Nevada. Section ~~1.1~~ 1.5 requires the Board, within the limits of money available for this purpose, to deposit money in the accounts to be used for the costs of higher education of those pupils. Section ~~1.1~~ 1.5 also requires the Board to adopt regulations for the implementation of the Program and authorizes the Board to apply for and accept gifts, grants and donations to carry out the Program.

Existing law authorizes the State Treasurer to establish an Endowment Account in the State General Fund to carry out the State Treasurer's duties with respect to the Nevada College Savings Program. The Endowment Account is required to be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings account agreement and which the State Treasurer determines is not necessary for certain administration and marketing activities. The State Treasurer is authorized to expend money in the Endowment Account: (1) for any purpose

related to the Nevada College Savings Program; (2) to pay the costs of administering the Governor Guinn Millennium Scholarship Program; or (3) in any other manner which assists residents of Nevada to attain postsecondary education. (NRS 353B.350) Section 6 of this bill limits the purposes for which the State Treasurer is authorized to expend money in the Endowment Account only to purposes related to the funding of college savings accounts under the Nevada College Kick Start Program, the Governor Guinn Millennium Scholarship Program, administrative and marketing costs related to the Nevada Higher Education Prepaid Tuition Program and the Nevada College Savings Program, and programs for the financial education of residents of this State. Section ~~4.1~~ 1.5 requires the Board of Trustees of the College Savings Plans of Nevada to transfer to the Endowment Account the balance in the account of a pupil created under the Nevada College Kick Start Program: (1) that has not been accessed by a parent or guardian of the pupil by the time the pupil is enrolled in the fifth grade; or (2) which otherwise has not been used within the time prescribed by regulation.

~~[Existing law creates the Nevada Higher Education Prepaid Tuition Trust Fund which consists of certain payments received by the Trust Fund. (NRS 353B.140)]~~

Sections 2.4 and 2.45 of this bill expand the authorized use of benefits under a prepaid tuition contract to allow a qualified beneficiary to apply any unused prepaid tuition benefits after his or her graduation with an undergraduate degree toward his or her graduate-level studies. Section 2.4 also specifically requires the Board to adopt requirements for a master agreement for the Nevada Higher Education Prepaid Tuition Program by regulation. Section 6.7 of this bill requires the Board to amend the master agreement for the Program to make the expanded authorization for graduate-level studies applicable to existing prepaid tuition contracts.

Section 2.5 of this bill adds to the list of payments included in the Trust Fund payments received pursuant to a loan made to the Trust Fund for the purpose of fiscal stabilization of the Nevada Higher Education Prepaid Tuition Program.

Existing law requires the Board to develop policies for investment to be followed by the State Treasurer in investing the property of the Trust Fund. (NRS 353B.160) Section 2.6 of this bill expands the list of authorized investments for the Trust Fund to include: (1) certain bonds, notes and other obligations that are issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank, which are supranational entities; and (2) certain bonds, notes and other obligations, commonly called "Yankee bonds," that are issued by a foreign financial institution, corporation or government.

Existing law requires the State Treasurer to adopt regulations to establish and carry out the Nevada College Savings Program, which offers tax-free

investment plans for saving money for the costs of higher education. (NRS 353B.310) Section 2.8 of this bill transfers the duty to adopt regulations for the Nevada College Savings Program from the State Treasurer to the Board.

Existing law creates the Nevada College Savings Trust Fund and authorizes the State Treasurer to accept and expend for certain purposes money provided to the Trust Fund by a private entity. (NRS 353B.340, 353B.360) Section 6.5 of this bill removes this grant of authority from the State Treasurer and instead authorizes the Board ~~for Trustees of the College Savings Plans of Nevada~~ to accept and expend such money.

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

Section 1. Chapter 353B of NRS is hereby amended by adding thereto ~~a new section to read as follows:~~ the provisions set forth as sections 1.3 and 1.5 of this act.

Sec. 1.3. The Board may delegate to the State Treasurer any of its administrative powers and duties specified in this section and NRS 353B.010 to 353B.190, inclusive, if the Board determines that such delegation is necessary for the efficient and effective administration of the Nevada Higher Education Prepaid Tuition Program and the Trust Fund.

Sec. 1.5. 1. The Board shall establish the Nevada College Kick Start Program to provide for the creation of a college savings account for each pupil who is a resident of this State upon commencement of his or her enrollment in kindergarten at a public school in this State. Within the limits of money available for this purpose, the Board shall deposit money in such an account to be used to pay a portion of the costs of higher education of the pupil.

2. The Board shall adopt regulations for the implementation of the Program, including, without limitation, regulations regarding:

(a) Enrollment in the Program, including without limitation, opting in or opting out of the Program;

(b) Procedures for the parent or guardian of a pupil to access the account of the pupil created pursuant to subsection 1;

(c) The time within which the money in the account created pursuant to subsection 1 must be used; and

(d) Distributions from an account created pursuant to subsection 1.

3. The Board may apply for and accept any gift, donation, bequest, grant or other source of money to carry out the Program.

4. The Board shall transfer to the Endowment Account established pursuant to NRS 353B.350 the balance in the account of a pupil created pursuant to subsection 1 that:

(a) Has not been accessed by a parent or guardian of the pupil in the manner prescribed in the regulations adopted pursuant to subsection 2 by the time the pupil is enrolled in grade 5.

(b) *Is otherwise remaining after expiration of the time prescribed in the regulations adopted pursuant to subsection 2 within which the money in the account must be used.*

Sec. 2. NRS 353B.005 is hereby amended to read as follows:

353B.005 1. There is hereby created a Board of Trustees of the College Savings Plans of Nevada.

2. The Board consists of ~~{five}~~ :

(a) *Five voting members composed of:*

~~{(a) The State Treasurer, who may name a designee to serve on the Board on his or her behalf.~~

~~{(b)}~~ (1) The Director of the Office of Finance, who may name a designee to serve on the Board on his or her behalf.

~~{(c)}~~ (2) The Chancellor of the System, who may name a designee to serve on the Board on his or her behalf.

~~{(d) Two}~~

(3) *Three* members appointed by the Governor. A member who is appointed by the Governor must possess knowledge, skill and experience in the field of:

~~{(1)}~~ (I) Accounting;

~~{(2)}~~ (II) Finance;

~~{(3)}~~ (III) Investment management; or

~~{(4)}~~ (IV) Marketing.

(b) *The State Treasurer or his or her designee, who serves ex officio as a nonvoting member.*

3. A member of the Board who is appointed by the Governor ~~{-}~~ pursuant to subparagraph (3) of paragraph (a) of subsection 2:

(a) Serves for a term of 4 years;

(b) Except as otherwise provided in paragraph (c), may be reappointed by the Governor; and

(c) Except as otherwise provided in this paragraph, may serve for only two terms. A member who is appointed to fill a vacancy in an unexpired term that is not longer than 3 years may serve two terms in addition to the unexpired term.

4. The ~~{State Treasurer or his or her designee}~~ *voting members of the Board shall {serve as the} elect a Chair of the Board {-} from among their number. The term of office of the Chair is 1 year.*

5. Each member of the Board serves without compensation, except that each member is entitled to receive:

(a) The per diem allowance and travel expenses provided for state officers and employees generally; and

(b) Reimbursement for any other actual and reasonable expense incurred while performing his or her duties.

6. As used in this section, the term "College Savings Plans of Nevada" includes the Nevada Higher Education Prepaid Tuition Program set forth in NRS 353B.010 to 353B.190, inclusive, and section 1.3 of this act and the

Nevada College Savings Program set forth in NRS 353B.300 to 353B.370, inclusive ~~[]~~, and section ~~44~~ 1.5 of this act including the Nevada College Kick Start Program.

Sec. 2.3. NRS 353B.010 is hereby amended to read as follows:

353B.010 As used in NRS 353B.010 to 353B.190, and section 1.3 of this act, unless the context otherwise requires, the words and terms defined in NRS 353B.030 to 353B.070, inclusive, have the meanings ascribed to them in those sections.

Sec. 2.4. NRS 353B.090 is hereby amended to read as follows:

353B.090 1. The Board shall develop the Nevada Higher Education Prepaid Tuition Program for the prepayment of tuition for a qualified beneficiary for:

(a) Undergraduate studies at:

(1) A university, state college or community college that is a member of the System;

(2) An accredited college or university in this State that is not a member of the System; or

(3) An accredited community college, college or university in another state.

(b) If any money paid into the Trust Fund under a prepaid tuition contract is remaining after a qualified beneficiary has graduated with an undergraduate degree, for graduate-level studies at:

(1) A university, state college or community college that is a member of the System;

(2) An accredited college or university in this State that is not a member of the System; or

(3) An accredited community college, college or university in another state.

2. The amount of the tuition under a prepaid tuition contract must be at a guaranteed rate which is established based on the annual actuarial study required pursuant to NRS 353B.190 for undergraduate studies at a university, state college or community college that is a member of the System.

~~2.3~~ 3. The Board shall adopt regulations for the implementation of the Program, including, without limitation, regulations setting forth requirements for:

(a) Residency;

(b) A limit on the number of qualified beneficiaries;

(c) The termination, withdrawal and transfer of money paid into the Trust Fund;

(d) A payment received by the Trust Fund as a matching contribution made as described in NRS 363A.137 or 363B.117 to be credited to the qualified beneficiary on whose behalf the matching contribution was made;

(e) The time within which the money paid into the Trust Fund must be used; ~~and~~

(f) Payment schedules, ~~[]~~; and

(g) A master agreement for the Program.

Sec. 2.45. NRS 353B.100 is hereby amended to read as follows:

353B.100 1. The Board may enter into a prepaid tuition contract with a purchaser.

2. The Board shall create a prepaid tuition contract in accordance with the provisions of this section.

3. The prepaid tuition contract must include, without limitation:

(a) The terms and conditions under which the purchaser shall remit payment, including, without limitation:

(1) The amount and number of payments that are required from the purchaser on behalf of the qualified beneficiary;

(2) The date upon which each payment is due; and

(3) A provision for a reasonable penalty for a delinquent payment or default.

(b) The name and date of birth of the qualified beneficiary on whose behalf the prepaid tuition contract is drawn.

(c) The terms and conditions under which another person may be substituted as the qualified beneficiary.

(d) The terms and conditions under which the purchaser, or another person designated by the purchaser, may terminate the prepaid tuition contract, receive a refund of money that he or she has paid into the Trust Fund or withdraw money that he or she has paid into the Trust Fund, including, without limitation, a provision allowing the Board to impose a fee that amounts to more than a de minimis penalty.

(e) A provision that the Board shall, after making a reasonable effort to contact the purchaser, report any money that has been deposited under a prepaid tuition contract that has not been terminated and has not been used within a specified period to the State Treasurer for proper disposition.

(f) The number of semesters for which the purchaser is contracting.

(g) A provision that money paid into the Trust Fund under a prepaid tuition contract may be applied toward tuition for an undergraduate degree at:

(1) A university, state college or community college that is a member of the System;

(2) An accredited college or university in this State that is not a member of the System; or

(3) An accredited community college, college or university in another state.

➡ Payments authorized pursuant to subparagraph (2) or (3) must not exceed the projected highest payment for tuition for the current academic year at a university that is a member of the System.

(h) A provision that any money under a prepaid tuition contract that is remaining after a qualified beneficiary has graduated with an undergraduate degree may be applied toward tuition for graduate-level studies at:

(1) A university, state college or community college that is a member of the System;

(2) An accredited college or university in this State that is not a member of the System; or

(3) An accredited community college, college or university in another state.

↪ Payments authorized pursuant to this paragraph may not exceed the total amount payable under the prepaid tuition contract of the qualified beneficiary.

(i) Any other term or condition that the Board considers necessary or proper.

Sec. 2.47. NRS 353B.110 is hereby amended to read as follows:

353B.110 The Board:

1. May modify the regulations for the implementation of the Program adopted pursuant to subsection ~~2.3~~ 3 of NRS 353B.090.

2. May establish agreements to fulfill its obligations under the prepaid tuition contracts.

3. May contract for any necessary good or service, including, without limitation, the power to engage financial consultants, actuaries or legal counsel.

4. May procure insurance against any loss in connection with the property, assets or activities of the Trust Fund, the State Treasurer or the Board.

5. May solicit and accept a gift, including, without limitation, a bequeathment or other testamentary gift, grant, loan or aid from any source.

6. Shall solicit answers to requests for rulings from the Internal Revenue Service regarding the tax status of fees paid to or on behalf of a purchaser or a qualified beneficiary pursuant to a prepaid tuition contract.

Sec. 2.5. NRS 353B.140 is hereby amended to read as follows:

353B.140 1. The Nevada Higher Education Prepaid Tuition Trust Fund is hereby created within the State Treasury to allow the cost of tuition to be paid in advance of enrollment at an institution of higher education.

2. The Trust Fund consists of payments received pursuant to:

(a) A prepaid tuition contract;

(b) A bequest, endowment or grant from the Federal Government;

(c) A matching contribution made as described in NRS 363A.137 or 363B.117; ~~for~~

(d) A loan made to the Trust Fund for purposes of the fiscal stabilization of the Nevada Higher Education Prepaid Tuition Program; or

(e) Any other public or private source of money.

3. Money in the Trust Fund that is not expended during any biennium does not revert to the State General Fund at any time.

Sec. 2.6. NRS 353B.160 is hereby amended to read as follows:

353B.160 1. The Board shall create a comprehensive plan that specifies the policies for investment which the State Treasurer shall follow in administering the Trust Fund.

2. The Board may authorize the State Treasurer to invest the property of the Trust Fund in:

(a) A bond, note, certificate or other general obligation of the State of Nevada, or of a county, city, general improvement district or school district of the State of Nevada.

(b) A corporate bond of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States with a rating not lower than "A" or its equivalent by a nationally recognized rating service. The total amount invested in such bonds must not exceed 50 percent of the book value of the total fixed income investments of the Trust Fund.

(c) Commercial paper of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States or of a wholly owned subsidiary of such a corporation with a rating not lower than "A-3" or "P-3" by a nationally recognized rating service.

(d) A bond, note, debenture or other valid obligation that is issued by the Treasury of the United States.

(e) A bond, note, debenture or other security that is issued by an agency or instrumentality of the United States or that is fully guaranteed by the United States in:

- (1) The Federal Farm Credit ~~(Bank)~~ Banks Funding Corporation;
- (2) The Federal National Mortgage Association;
- (3) The Federal Home Loan Bank;
- (4) The Federal Home Loan Mortgage Corporation; or
- (5) The Government National Mortgage Association.

(f) A bond, note, debenture or other security in the Student Loan Marketing Association, regardless of whether it is guaranteed by the United States.

(g) A bond, note or other obligation issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank that:

- (1) Is denominated in United States dollars;
- (2) Is a senior unsecured unsubordinated obligation;
- (3) Is purchased from a registered broker-dealer;
- (4) At the time of purchase has a remaining term to maturity of not more than 5 years; and
- (5) Is rated by a nationally recognized rating service as "AA" or its equivalent, or better,

↪ except that investments pursuant to this paragraph must not, in aggregate value, exceed 15 percent of the total par value of the Trust Fund, as determined at the time of purchase.

(h) A bond, note or other obligation publicly issued in the United States by a foreign financial institution, corporation or government that:

- (1) Is denominated in United States dollars;
- (2) Is a senior unsecured unsubordinated obligation;
- (3) Is registered with the United States Securities and Exchange Commission in accordance with the provisions of the Securities Act of 1933, 15 U.S.C. §§ 77a et seq., as amended;
- (4) Is publicly traded;
- (5) Is purchased from a registered broker-dealer;
- (6) At the time of purchase has a remaining term to maturity of not more than 5 years; and
- (7) Is rated by a nationally recognized rating service as "AA" or its equivalent, or better.

↪ except that investments pursuant to this paragraph must not, in aggregate value, exceed 10 percent of the total par value of the Trust Fund, as determined at the time of purchase.

(i) Collateralized mortgage obligations that are rated "AAA" or its equivalent by a nationally recognized rating service.

~~[(h)]~~ (j) Asset-backed securities that are rated "AAA" or its equivalent by a nationally recognized rating service.

~~[(i)]~~ (k) Money market mutual funds that:

- (1) Are registered with the Securities and Exchange Commission;
- (2) Are rated by a nationally recognized rating service as "A" or its equivalent, or better; and
- (3) Invest only in securities issued by the Federal Government or agencies of the Federal Government or in repurchase agreements fully collateralized by such securities.

↪ The total dollar amount invested in such mutual funds must not exceed 20 percent of the total dollar amount of the Trust Fund that is invested.

~~[(j)]~~ (l) Common or preferred stock of a corporation created by or existing under the laws of the United States or of a state, district or territory of the United States, if:

- (1) The stock of the corporation is:
 - (I) Listed on a national stock exchange; or
 - (II) Traded in the over-the-counter market, if the price quotations for the over-the-counter stock are quoted by the National Association of Securities Dealers Automated Quotations System, NASDAQ;
- (2) The outstanding shares of the corporation have a total market value of not less than \$50,000,000;
- (3) The maximum investment in stock is not greater than 60 percent of the book value of the total investments of the Trust Fund;
- (4) Except for investments made pursuant to paragraph ~~[(m)]~~ (o), the amount of an investment in a single corporation is not greater than 3 percent of the book value of the assets of the Trust Fund; and

(5) Except for investments made pursuant to paragraph ~~[(m)]~~ (o), the total amount of shares owned by the Trust Fund is not greater than 5 percent of the outstanding stock of a single corporation.

~~[(k)]~~ (m) A covered call or put option on securities that are traded on one or more of the regulated exchanges in the United States.

~~[(l)]~~ (n) A pooled or commingled real estate fund or a real estate security that is managed by a corporate trustee or by an investment advisory firm that is registered with the Securities and Exchange Commission, either of which may be retained by the Board as an investment manager. The shares and the pooled or commingled fund must be held in trust. The total book value of an investment made under this paragraph must not at any time be greater than 5 percent of the total book value of all investments of the Trust Fund.

~~[(m)]~~ (o) Mutual funds or common trust funds that consist of any combination of the investments listed in paragraphs (a) to ~~[(n)]~~ (n), inclusive.

3. The State Treasurer shall exercise the standard of care in investing the property of the Trust Fund that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs, given the prevailing circumstances, not in regard to speculation but rather to the permanent disposition of the property, considering the potential income from and the probable safety of his or her capital.

4. Subject to the terms, conditions, limitations and restrictions set forth in this section, the State Treasurer may sell, assign, transfer or dispose of the property and investments of the Trust Fund upon the approval of a majority of the Board.

5. The assets of the Trust Fund:

(a) Must be maintained, invested and expended solely for the purposes of NRS 353B.010 to 353B.190, inclusive, ~~[(1)]~~ and section 1.3 of this act; and

(b) Must not be loaned, transferred or otherwise used for a purpose other than the purposes of NRS 353B.010 to 353B.190, inclusive, ~~[(1)]~~ and section 1.3 of this act.

6. The State Treasurer shall credit any income derived from an investment or a gain from a sale or exchange of an investment to the Trust Fund.

7. The State Treasurer shall acquire each investment for the Trust Fund at a price not to exceed the prevailing market value for such an investment.

8. Each investment in the Trust Fund must be clearly marked to indicate ownership by the Trust Fund.

9. The State Treasurer, an employee of the State Treasurer, or a member or employee of the Board shall not:

(a) Have a direct or indirect interest in the income, gain or profit of an investment that the State Treasurer makes;

(b) Receive pay or emolument for his or her services in connection with an investment that the State Treasurer makes; or

(c) Become an endorser, surety or obligor for money that is borrowed from the Trust Fund.

10. If the annual actuarial study performed pursuant to NRS 353B.190 reveals that there is insufficient money to ensure the actuarial soundness of the Trust Fund, the Board shall modify the terms of subsequent prepaid tuition contracts.

11. The terms, conditions, limitations and restrictions regarding investments of the Trust Fund listed in this section apply only at the time an investment is originally acquired and must not be construed to require the liquidation of an investment at any time.

Sec. 2.8. NRS 353B.310 is hereby amended to read as follows:

353B.310 1. The ~~[State Treasurer]~~ Board shall adopt regulations to establish and carry out the Nevada College Savings Program, which must comply with the requirements of a qualified state tuition program pursuant to 26 U.S.C. § 529.

2. The regulations must be consistent with the provisions of the Internal Revenue Code set forth in Title 26 of the United States Code, and the regulations adopted pursuant thereto, to ensure that the Nevada College Savings Program meets all criteria for federal tax-deferred or tax-exempt benefits, or both.

3. The regulations must provide for the use of savings trust agreements and savings trust accounts to apply distributions toward qualified higher education expenses at eligible educational institutions in accordance with 26 U.S.C. § 529.

4. The regulations must set forth requirements for a payment received by the Trust Fund as a matching contribution made as described in NRS 363A.137 or 363B.117 to be credited to the savings trust account to which the contribution was made.

5. The regulations may include any other provisions not inconsistent with federal law that the ~~[State Treasurer]~~ Board determines are necessary for the efficient and effective administration of the Nevada College Savings Program and the Trust Fund.

Sec. 3. NRS 353B.320 is hereby amended to read as follows:

353B.320 The Board may delegate to the State Treasurer any of its administrative powers and duties specified in NRS 353B.300 to 353B.370, inclusive, *and section ~~1.5~~ 1.5 of this act* if the Board determines that such delegation is necessary for the efficient and effective administration of the Nevada College Savings Program and the Trust Fund.

Sec. 4. NRS 353B.330 is hereby amended to read as follows:

353B.330 Savings trust accounts and agreements entered into pursuant to NRS 353B.300 to 353B.370, inclusive, *and section ~~1.5~~ 1.5 of this act* are not guaranteed by the full faith and credit of the State of Nevada.

Sec. 5. (Deleted by amendment.)

Sec. 6. NRS 353B.350 is hereby amended to read as follows:

353B.350 1. The Trust Fund and any account established by the State Treasurer pursuant to this section must be administered by the State Treasurer.

2. The State Treasurer shall establish such accounts as he or she determines necessary to carry out his or her duties pursuant to NRS 353B.300 to 353B.370, inclusive, *and section ~~44~~ 1.5 of this act*, including, without limitation:

- (a) A Program Account in the Trust Fund; and
- (b) An Administrative Account and an Endowment Account in the State General Fund.

3. The Program Account must be used for the receipt, investment and disbursement of money pursuant to savings trust agreements.

4. The Administrative Account must be used for the deposit and disbursement of money to administer and market the Nevada College Savings Program and to supplement the administration and marketing of the Nevada Higher Education Prepaid Tuition Program set forth in NRS 353B.010 to 353B.190, inclusive, ~~44~~, *and section 1.3 of this act*.

5. ~~The~~ *In addition to the money transferred pursuant to section ~~44~~ 1.5 of this act, the* Endowment Account must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for the use of the Administrative Account. The money in the Endowment Account may be expended ~~44~~ *for any purpose related to:*

(a) ~~For any purpose related to the~~ *The funding of college savings accounts created under the Nevada College ~~Savings~~ Kick Start Program 44 established pursuant to section ~~44~~ 1.5 of this act;*

(b) ~~To pay the costs of administering the~~ *The Governor Guinn Millennium Scholarship Program created pursuant to NRS 396.926, including, without limitation, the costs of administering the Program, but such costs must not exceed an amount equal to 3 percent of the anticipated annual revenue to the State of Nevada from the settlement agreements with and civil actions against manufacturers of tobacco products anticipated for deposit in the Trust Fund; ~~or~~*

(c) ~~In any other manner which assists the residents of this state to attain postsecondary education.~~ *The administrative costs, as approved by the Legislature or the Interim Finance Committee, of activities related to the Nevada Higher Education Prepaid Tuition Program set forth in NRS 353B.010 to 353B.190, inclusive, and section 1.3 of this act and the Nevada College Savings Program set forth in NRS 353B.300 to 353B.370, inclusive, and section ~~44~~ 1.5 of this act, including the Nevada College Kick Start Program;*

(d) *The costs of marketing related to the Nevada Higher Education Prepaid Tuition Program set forth in NRS 353B.010 to 353B.190, inclusive, and section 1.3 of this act and the Nevada College Savings Program set forth in NRS 353B.300 to 353B.370, inclusive, and section ~~44~~ 1.5 of this act, including the Nevada College Kick Start Program, but such costs must not exceed an amount equal to 3 percent of the money in the Endowment Account*

that was received during the first fiscal year of the immediately preceding biennium by the Nevada College Savings Program, was not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, was not necessary for the use of the Administrative Account; or

(e) The costs of providing programs for the financial education of residents of this State, but such costs must not exceed an amount equal to 3 percent of the money in the Endowment Account that was received during the first fiscal year of the immediately preceding biennium by the Nevada College Savings Program, was not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, was not necessary for the use of the Administrative Account.

Sec. 6.5. NRS 353B.360 is hereby amended to read as follows:

353B.360 The ~~{State Treasurer}~~ Board may accept and expend on behalf of the Trust Fund money provided by private entities for direct expenses or marketing ~~{-}~~ in accordance with the provisions of NRS 353.150 to 353.245, inclusive. Such money is not a part of the Trust Fund.

Sec. 6.7. 1. On or before October 1, 2017, the Board of Trustees of the College Savings Plans of Nevada created by NRS 353B.005, as amended by section 2 of this act, shall amend the master agreement for the Nevada Higher Education Prepaid Tuition Program created in accordance with regulations adopted pursuant to NRS 353B.090, as amended by section 2.4 of this act, to authorize, pursuant to NRS 353B.090, as amended by section 2.4 of this act, the application of any money paid into the Nevada Higher Education Prepaid Tuition Trust Fund created by NRS 353B.140, as amended by section 2.5 of this act, under a prepaid tuition contract that is remaining after a qualified beneficiary has graduated with an undergraduate degree toward tuition for graduate-level studies by the qualified beneficiary at:

(a) A university, state college or community college that is a member of the Nevada System of Higher Education;

(b) An accredited college or university in this State that is not a member of the System; or

(c) An accredited community college, college or university in another state.

2. As used in this section:

(a) "Prepaid tuition contract" has the meaning ascribed to it in NRS 353B.030.

(b) "Qualified beneficiary" has the meaning ascribed to it in NRS 353B.050.

Sec. 6.8. Notwithstanding the amendatory provisions of this act transferring authority to adopt regulations from the State Treasurer to the Board of Trustees of the College Savings Plans of Nevada, any regulations adopted by the State Treasurer pursuant to NRS 353B.310 before July 1, 2017, remain in effect and may be enforced by the Board or the State Treasurer, as applicable, until the Board adopts regulations to repeal or replace those regulations.

Sec. 6.9. The money authorized for expenditure from the Nevada College Savings Trust Fund in section 1 of Senate Bill No. 545 of this session is reduced from \$4,220,813 to \$3,599,776 in Fiscal Year 2017-2018 and from \$4,272,299 to \$3,651,262 in Fiscal Year 2018-2019.

Sec. 7. 1. This section and sections 1, 1.5, 2, 2.5 and 3 to 6.5, inclusive, of this act ~~becomes~~ become effective upon passage and approval.

2. Sections 1.3, 2.3 to 2.47, inclusive, 2.6, 2.8, 6.7, 6.8 and 6.9 of this act become effective on July 1, 2017.

Senator Denis moved the adoption of the amendment.

Remarks by Senators Denis, Harris and Kieckhefer.

SENATOR DENIS:

This amendment to Assembly Bill No. 475 allows a beneficiary of the Prepaid Tuition Program to use unspent program funds for graduate studies; expands the list of authorized investments for the Nevada Higher Education Prepaid Tuition Trust Fund, and requires the Board of Trustees of the College Savings Plans of Nevada to adopt regulations for the Nevada College Savings Program and allows the Board to delegate certain powers and duties to the State Treasurer.

SENATOR HARRIS:

More has been put in than was intended with the original amendment. The material that has to do with the expansion of the bonding capacity for the State Treasurer should not have been included in this amendment.

SENATOR KIECKHEFER:

Does the amendment encapsulate more than what was approved by the Committee?

SENATOR HARRIS:

Yes. It goes beyond what was intended by the Committee which was to allow a roll-over of unused prepaid tuition from an undergraduate degree to be rolled up into a graduate program. The Treasurer's Office made an amendment to allow for an expansion of the bonding program that was not contemplated in Committee nor intended to be part of the amendment, it is simply a drafting error.

Senator Denis moved that the bill be placed on the Secretary's desk.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 121.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 121 establishes an interim study concerning the needs related to the behavioral and cognitive care of older persons. The interim study, consisting of six Legislators appointed by the Legislative Commission, is required to research and identify potential sources of State funding available to support evidence-based Statewide community programs to aid care givers and assist Nevada's Care Connection and give Nevada 2-1-1 in creation of a No Wrong Door program for caregivers. In addition, the interim study committee is tasked with evaluating the possibility of establishing a higher rate of reimbursement by Medicaid for nursing facilities that support older adults with behavioral and cognitive health needs. Finally, the committee must examine and research the provision of education and training for healthcare professionals and the screening, diagnosis and treatment of behavioral and cognitive diseases prevalent in our older persons.

Roll call on Senate Bill No. 121:

YEAS—21.

NAYS—None.

Senate Bill No. 121 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

INTRODUCTION, FIRST READING AND REFERENCE

By Senators Ford, Roberson; Assemblymen Frierson and Paul Anderson (emergency request by Senate Majority Leader):

Senate Bill No. 555—AN ACT relating to taxation; authorizing the Department of Taxation to approve an additional amount of credits against the modified business tax for taxpayers who donate money to a scholarship organization; and providing other matters properly relating thereto.

Senator Ford moved that the bill be referred to the Committee of the Whole.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that the Senate resolve itself into a Committee of the Whole for the purpose of considering Senate Bill No. 555, with Senator Denis as Chair and Senator Roberson as Vice Chair of the Committee of the Whole.

Motion carried.

IN COMMITTEE OF THE WHOLE

At 10:56 p.m.

Senator Denis presiding.

Senate Bill No. 555 considered.

The Committee of the Whole was addressed by Senators Ford, Hardy, Kieckhefer, Hammond and Roberson.

SENATOR DENIS:

We will hear Senate Bill No. 555. Senator Ford, will you be addressing the bill?

SENATOR FORD:

I am. Thank you, Mr. Chair.

Under existing law, financial institutions and other employers are required to pay an excise tax (the modified business tax) on wages paid by them. (NRS 36A.130, 363B.110) Existing law establishes a credit against the modified business tax equal to an amount which is approved by the Department of Taxation and which must not exceed the amount of any donation of money made by a taxpayer to a scholarship organization that provides grants on behalf of pupils who are members of a household with a household income which is not more than 300 percent of the federally designated level signifying poverty to attend schools in this State, including private schools chosen by the parents or legal guardians of those pupils. (NRS 363A.130, 363B.110)

Under existing law, the Department: 1) must approve or deny applications for the tax credit in the order in which the applications are received by the Department; and 2) is authorized to approve applications for each fiscal year until the amount of the tax credits approved for the fiscal year is the amount authorized by statute for that fiscal year.

For Fiscal Year 2016-2017, the amount authorized is \$5.5 million. The amount authorized for each succeeding fiscal year is equal to 110 percent of the amount authorized for the immediately

preceding fiscal year. Thus, for Fiscal Year 2017-2018, the amount of credits authorized is \$6,050,000, NRS 363A.139, 363B.119.

This bill authorizes the Department of Taxation to approve, in addition to the amount of credits authorized for Fiscal Year 2017-2018 under existing law, an amount of tax credits equal to \$20 million. If the amount of the additional tax credits authorized under this bill and approved by the Department in Fiscal Year 2017-2018 is less than \$20 million, the remaining amount of tax credits must be carried forward and made available for approval in subsequent fiscal years. Finally under this bill, the \$20 million of additional tax credits authorized by this bill is not subject to the annual increases under existing law in the amount of the tax credits.

SENATOR HARDY:

Does the organization that disburses the scholarship funds have to do so in a certain timeframe?

SENATOR FORD:

This bill is modeled after the Opportunity Scholarship Program which was passed in the 2015 Legislative Session and adds an additional \$20 million one-time appropriation into that program.

SENATOR KIECKHEFER:

The current program is creditable toward MBT financial and non-financial. Section 1 of this bill appears to apply to financial institutions and section 2 to non-financial institutions. Is that correct? I want to make sure this covers the full-breadth of taxpayers.

SENATOR FORD:

Our instructions for drafting were to take the Opportunity Scholarship Program from last Session and add a \$20 million one-time appropriation without changing any of the other parameters of the bill.

SENATOR HAMMOND:

The effective start date is listed as July 1, 2017. Disbursement of funds from the non-profit, 501c3 organizations only happens once a year. If this occurs at the end of June, this could create a problem.

SENATOR FORD:

I will defer this question to our Legal Counsel offline.

SENATOR HAMMOND:

I want to ensure we are disbursing some of these funds immediately for this school year so would like the date to be effective upon passage rather than July 1.

Senator Roberson moved to do pass Senate Bill No. 555.

Senator Ford seconded the motion.

Motion carried.

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

Committee of the Whole adjourned at 11:08 p.m.

SENATE IN SESSION

At 11:13 p.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee of the Whole, to which was referred Senate Bill No. 555, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

MOISES DENIS, *Chair*

Mr. President:

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 1145 to Senate Bill No. 487.

KELVIN ATKINSON, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that all necessary rules be suspended, reading so far has considered first reading, rules further suspended, and that Senate Bill No. 555 be declared an emergency measure under the Constitution and placed on third reading and final passage.

Motion carried.

Senator Atkinson moved that Assembly Bill No. 206 be taken from the Secretary's desk and placed on the General File, sixth Agenda.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 555.

Bill read third time.

Remarks by Senators Ford and Gansert.

SENATOR FORD:

We just heard this bill in the Committee of the Whole. It relates to adding \$20 million to the Opportunity Scholarship Program.

SENATOR GANSERT:

I rise in support of Senate Bill No. 555. We can all agree that education is a top priority and the key to prosperity for Nevadans today and in the future. Investing in education and strengthening support for families to make the best choice for the education of the children are critical. A good education can change the path of a child's life and the trajectory of an entire family. A better educated workforce will help Nevada's economy become more diversified and resilient. The Nevada Opportunity Scholarship Program has proven to be a successful model.

Last year in northern Nevada, the Opportunity Scholarship grant organization known as Education Fund of Northern Nevada awarded over \$2 million to 475 students in 50 different schools. The grants averaged just over \$4,300 each. Today, we are increasing the capacity of this program by 250 percent, and those funds will support many more families. I am excited about the future of our children, and I am hopeful that this investment, along with programs like the Zoom and Victory schools, will make a difference in the lives of our children and help create a better future for all Nevadans.

Roll call on Senate Bill No. 555:

YEAS—21.

NAYS—None.

Senate Bill No. 555 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that the action whereby Senate Bill No. 487 was lost be rescinded.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 487.

Bill read third time.

The following amendment was proposed by Senator Ford:

Amendment No. 1145.

SUMMARY—Revises provisions relating to sales of marijuana and related products. (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 such excise 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 regulation and taxation of a marijuana establishment or medical marijuana establishment by a city, town or 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 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 to Stabilize the Operation of the State Government, also known as the Rainy Day Fund, 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, 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.] 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 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 ~~[2]~~ 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 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 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, 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, 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.] retail sale in this State of marijuana or marijuana products 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.~~

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.] 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 2 must be paid over as collected to the State Treasurer to be deposited to the credit of the ~~{State Distributive School}~~ Account to Stabilize the Operation of the State Government created in the State General Fund ~~{,}~~ pursuant to NRS 353.288.

6. As used in this section:

~~(a) {"Edible marijuana products" has the meaning ascribed to it in NRS 453A.101.~~

~~—(b) "Marijuana infused" "Local government" has the meaning ascribed to it in NRS 360.640.~~

~~(b) "Marijuana products" has the meaning ascribed to it in NRS ~~[453A.112.]~~ 453D.030.~~

(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 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. (Deleted by amendment.)

Sec. 17. (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. *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. (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 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 ~~[-] 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 ~~[-] 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, *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 ~~[-]~~ *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. 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 Ford moved the adoption of the amendment.

Remarks by Senator Ford.

Amendment No. 1145 to Senate Bill No. 487 redirects the proceeds from the marijuana sales to the rainy day account.

Amendment adopted.

Bill read third time.

Remarks by Senator Ratti.

Senate Bill No. 487 does several things. It is a rational tax system for marijuana. It creates a difference in pricing between recreational marijuana and medical marijuana, which is important to ensuring we continue to maintain a vibrant medical marijuana industry. The funds will go to the Rainy Day Fund which will help our State regain some of its fiscal stability. I served on the Sparks City Council during the recession and know what happened to governments during that time and how we made good decisions to spend those accounts down because we needed to maintain services. This is a great opportunity to build that account back up and build financial stability for the State.

Roll call on Senate Bill No. 487:

YEAS—15.

NAYS—Goicoechea, Gustavson, Hammond, Hardy, Roberson, Settlemeyer—6.

Senate Bill No. 487 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that the action whereby Senate Bill No. 546 was lost be rescinded.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 546.

Bill read third time.

Remarks by Senator Woodhouse.

Senate Bill No. 546 provides for the implementation of the 2017 Capital Improvement Program as approved by the money committees. The bill includes funding in the amount of \$354.1 million for the Capital Improvement Program. The bill includes the following major funding sources to support the program: \$201.4 million in general obligation bonds; \$48.3 million in agency and donor funds to support Nevada System of Higher Education, Department of Tourism and Cultural Affairs, Department of Wildlife and Department of Administration projects; \$48.0 million in General Fund appropriations; \$36.5 million in federal funds for Office of the Military projects; \$12.1 million in excess funding reallocated from projects approved in prior Capital Improvement Programs; \$4.3 million in State Highway Funds

for Department of Motor Vehicles and Department of Public Safety projects, and \$3.5 million in slot tax funding from the Special Higher Education Capital Construction Fund.

Roll call on Senate Bill No. 546:

YEAS—15.

NAYS—Goicoechea, Gustavson, Hammond, Hardy, Roberson, Settlemeyer—6.

Senate Bill No. 546 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Ford moved that the Senate recess subject to the call of the Chair.
Motion carried.

Senate in recess at 11:23 p.m.

SENATE IN SESSION

At 11:46 p.m.

President Hutchison presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Government Affairs, to which was referred Assembly Bill No. 423, has had the same under consideration, and begs leave to report the same back with the recommendation: Amend, and do pass as amended.

DAVID R. PARKS, *Chair*

Mr. President:

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 1144 to Assembly Bill No. 206.

KELVIN ATKINSON, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Senator Roberson has approved the addition of Senators Atkinson, Cancela, Cannizzaro, Denis, Farley, Ford, Manendo, Parks, Ratti, Segerblom, Spearman and Woodhouse as sponsors of Senate Bill No. 539.

SECOND READING AND AMENDMENT

Assembly Bill No. 423.

Bill read second time.

The following amendment was proposed by the Committee on Government Affairs:

Amendment No. 1147.

~~[ASSEMBLYWOMAN]~~ ASSEMBLYWOMEN MILLER AND CARLTON

JOINT SPONSORS: SENATORS CANNIZZARO, FARLEY, FORD, HARRIS, RATTI, SEGERBLOM AND WOODHOUSE

SUMMARY—Requires the ~~[Nevada Commission for Women]~~ Secretary of State to collect and report information related to gender equality in the workplace. (BDR ~~[18-1047]~~ 7-1047)

AN ACT relating to gender equality; requiring the ~~[Nevada Commission~~

~~for Women]~~ Secretary of State to conduct a survey of certain ~~[employers]~~ businesses to collect data and information related to issues of gender equality in the workplace; requiring the ~~[Commission]~~ Secretary of State to ~~[create and maintain a database that provides]~~ make certain information ~~[about employers that have best practices and policies on issues of gender equality]~~ relating to the survey available on the Internet and to submit ~~[a]~~ an annual report regarding the survey to the Governor and the Director of the Legislative Counsel Bureau; requiring the Nevada Commission for Women to assist the Secretary of State in developing the survey; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~— [Existing law creates the Nevada Commission for Women which is: (1) required to study the roles of women in society; and (2) authorized to collect and disseminate information on activities, programs and essential services available to women in Nevada. (NRS 233I.020, 233I.060)]~~

~~Section ~~[2]~~ 3.4 of this bill requires the ~~[Commission, with the assistance of the Director of the Department of Administration,]~~ Secretary of State to design and conduct a survey of ~~[employers in this State with 100 or more employees]~~ certain businesses which are applying for or renewing a state business license in this State to collect data and information related to issues of gender equality in the workplace. ~~[The Commission must use the data and information to create and maintain a database that provides information about employers that have best practices and policies on issues of gender equality in the workplace. The database must be made available on the Internet website of the Department of Administration and the Commission must]~~ Section 3.4 provides that a response to the survey is voluntary but requires that if responses are provided, the survey be signed under the penalty of perjury. Section 3.6 of this bill requires the Secretary of State to make available on the Internet website of the Office of the Secretary of State: (1) the responses to the survey; and (2) aggregate data relating to the survey. Section 3.6 also requires the Secretary of State to submit ~~[a]~~ an annual report on the survey to the Governor and the Director of the Legislative Counsel Bureau. ~~[on issues of gender equality in the workplace.]~~~~

~~— Section 3 of this bill provides that an employer is not required to respond to the Commission's survey. Section 3 also provides that the Commission may include an employer in the database if the Commission is otherwise able to obtain sufficient information about the employer on issues of gender equality in the workplace from the public records of state agencies.~~

~~— Sections 4, 5 and 6 of this bill make conforming changes.~~

~~— Section 5.5 of this bill makes an appropriation from the State General Fund to the Department of Administration for personnel and information technology expenses associated with the Commission's survey.]~~

Section 4.5 of this bill requires the Nevada Commission for Women to assist the Secretary of State in developing the survey.

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

Section 1. Chapter ~~[2331]~~ 75A of NRS is hereby amended by adding thereto the provisions set forth as sections ~~[2 and 3]~~ 3.2 to 3.8, inclusive, of this act.

Sec. 2. ~~[With the assistance of the Director of the Department of Administration, the Commission shall:~~

~~1. Design and conduct a survey of employers in this State for the purpose of collecting data and information from employers related to issues of gender equality in the workplace. The survey:~~

~~(a) Must be considered and approved by the Commission at a public hearing; and~~

~~(b) May be conducted using a web-based system.~~

~~2. Use the data and information collected pursuant to subsection 1:~~

~~(a) To create and maintain a database that provides information about employers that have best practices and policies on issues of gender equality in the workplace. The database must be made available to the public on the Internet website of the Department of Administration.~~

~~(b) To create and submit a report to the Governor and the Director of the Legislative Counsel Bureau on issues of gender equality in the workplace.]~~
(Deleted by amendment.)

Sec. 3. ~~[1. An employer:~~

~~(a) Is not required to respond to a survey conducted pursuant to section 2 of this act;~~

~~(b) Is not subject to any penalty if the employer does not respond to a survey conducted pursuant to section 2 of this act.~~

~~2. If an employer does not respond to such a survey, the Commission may include the employer in the database created pursuant to section 2 of this act if the Commission is otherwise able to obtain sufficient information about the employer on issues of gender equality in the workplace from the public records of state agencies.]~~ (Deleted by amendment.)

Sec. 3.2. As used in sections 3.2 to 3.8, inclusive, of this act, "business" has the meaning ascribed to it in NRS 76.020.

Sec. 3.4. 1. The Secretary of State shall design and conduct an annual survey of businesses in this State for the purpose of collecting data and information related to issues of gender equality in the workplace.

2. The Secretary of State shall work in consultation with the Nevada Commission for Women created by NRS 233I.020 regarding the content of the survey.

3. The Secretary of State shall cause the survey to be offered through the state business portal to each business with operations and employees in this State at the time the business submits to the Secretary of State an online application for a state business license pursuant to NRS 76.100 or an online renewal of a state business license pursuant to NRS 76.130.

4. A business is not required to respond to the survey, and neither the Secretary of State nor the Nevada Commission for Women may penalize or otherwise take any adverse action against a business that does not respond to the survey.

5. If a business responds to the survey, the response must be signed under penalty of perjury by, as applicable:

- (a) The owner of a business that is owned by a natural person;
- (b) A member or partner of an association or partnership;
- (c) A general partner of a limited partnership;
- (d) A managing partner of a limited-liability partnership;
- (e) A manager or managing member of a limited-liability company; or
- (f) An officer of a corporation.

Sec. 3.6. 1. The Secretary of State shall make available on the Internet website of the Office of the Secretary of State:

(a) The responses to the survey conducted pursuant to section 3.4 of this act in such a manner that the responses may be searched electronically by the name of the business that submitted the response; and

(b) Aggregate data relating to the survey conducted pursuant to section 3.4 of this act.

2. The Secretary of State shall annually compile the responses to the survey received during the immediately preceding year into a report and submit the report to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the Legislature, or if the Legislature is not in session, to the Legislative Commission.

Sec. 3.8. The Secretary of State may adopt such regulations as he or she determines to be necessary or advisable to carry out the provisions of sections 3.4 and 3.6 of this act.

Sec. 4. ~~[NRS 233I.010 is hereby amended to read as follows:~~

~~233I.010 As used in this chapter, unless the context otherwise requires [,]~~

~~¶~~

~~1. "Commission" means the Nevada Commission for Women.~~

~~2. "Employer" means any entity that performs a service or engages in a trade for profit and has 100 or more employees.] (Deleted by amendment.)~~

Sec. 4.5. NRS 233I.060 is hereby amended to read as follows:

233I.060 1. The Commission shall study the changing and developing roles of women in society, including the recognition of socioeconomic factors that influence the status of women, and recommend proposed legislation.

2. The Commission may collect and disseminate information on activities, programs and essential services available to women in Nevada.

3. The Commission shall assist the Secretary of State in developing the survey of businesses in this State described in section 3.4 of this act.

Sec. 5. NRS 233I.080 is hereby amended to read as follows:

233I.080 1. The Director of the Department of Administration shall provide staff assistance to the Commission ~~in carrying out~~ ~~¶~~

~~(a) The provisions of sections 2 and 3 of this act; and~~
~~(b) Other] the duties and responsibilities of the Commission, as the~~
 Governor deems appropriate.

2. The Commission may engage the services of volunteer workers and consultants without salary as is necessary from time to time.

Sec. 5.5. 1. There is hereby appropriated from the State General Fund to the Department of Administration for ~~personnel and information technology]~~ expenses of the Department that are associated with assisting the Nevada Commission for Women ~~[to design and conduct a survey of employers in this State on issues of gender equality as required by the provisions]~~ pursuant to NRS 233I.080, as amended by section 5 of this act the following sums:

For the Fiscal Year 2017-2018..... \$107,772

For the Fiscal Year 2018-2019..... \$81,672

2. Any balance of the sums appropriated by subsection 1 remaining at the end of the respective fiscal years must not be committed for expenditure after June 30 of the respective fiscal years by the entity to which the appropriation is made or any entity to which money from the appropriation is granted or otherwise transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 21, 2018, and September 20, 2019, respectively, by either the entity to which the money was appropriated or the entity to which the money was subsequently granted or transferred, and must be reverted to the State General Fund on or before September 21, 2018, and September 20, 2019, respectively.

Sec. 6. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 6.5. The Secretary of State shall design and begin conducting the initial survey required by section 3.4 of this act before January 1, 2018.

Sec. 7. This act becomes effective on July 1, 2017 ~~to~~, and expires by limitation on December 31, 2022.

Senator Parks moved the adoption of the amendment.

Remarks by Senators Parks, Harris and Ratti.

SENATOR PARKS:

The amendment deletes the provisions in Assembly Bill No. 423 that require the Nevada Commission of Women to design and conduct a survey on employers in the State for the purpose of collecting data and information from employers related to issue of gender equality in the workplace. Instead, the Secretary of State will be required to conduct such a survey and adopt the necessary regulations to carry out the provisions of the bill. It also requires the Commission to assist the Secretary of State in developing the survey; expands the allowable use of the funds to be appropriated from the State General Fund to the Department of Administration to allow for the broader use of the Nevada Commission of Women in carrying out the duties and responsibilities; requires the Secretary of State to design and begin conducting initial the initial survey before January 1, 2018; adds several Legislators as sponsors, and changes the sunset date.

SENATOR HARRIS:

Section 3.4, line 16, in subsection 5, is different from the language that I was lead to believe this bill was supposed to mirror regarding certifying correctness versus under penalty of perjury. Can you explain this?

SENATOR PARKS:

I will defer this to another Senator.

SENATOR RATTI:

I worked with the three stakeholders. They checked it with the Secretary of State to ensure it was the language approved in the original bill.

Senator Harris moved that the Senate recess subject to the call of the Chair.
Motion carried.

Senate in recess at 11:50 p.m.

SENATE IN SESSION

At 11:54 p.m.

President Hutchison presiding.

Quorum present.

SENATOR RATTI:

I appreciate the eagle eye of my colleague from District No. 9. This bill will be re-referred to the Committee on Finance, and the language will be corrected there.

Amendment adopted.

Senator Woodhouse moved that the bill be re-referred to the Committee on Finance, upon return from reprint.

Motion carried.

Bill ordered reprinted, re-engrossed and to the Committee on Finance.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Denis moved that Assembly Bill No. 475 be taken from the Secretary's desk and placed on the Second Reading File.

Motion carried.

SECOND READING AND AMENDMENT

Assembly Bill No. 475.

Bill read second time and ordered to third reading.

GENERAL FILE AND THIRD READING

Assembly Bill No. 206.

Bill read third time.

The following amendment was proposed by Senator Atkinson:

Amendment No. 1144.

SUMMARY—Revises provisions relating to renewable energy and the renewable portfolio standard. (BDR 58-746)

AN ACT relating to renewable energy; authorizing the establishment of certain programs for the purchase of electricity produced by certain renewable energy facilities; declaring the policy of this State concerning renewable energy; revising the portfolio standard for providers of electric

service in this State; revising the manner in which providers of electric service may comply with the portfolio standard; expanding the definition of "provider of electric service" for the purposes of the portfolio standard; requiring the Public Utilities Commission of Nevada to revise any existing portfolio standard applicable to a provider of new electric resources to comply with the portfolio standard established by this act; revising provisions relating to the approval of a plan filed by an electric utility to increase the supply of electricity or reduce demand; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes an electric utility in this State to apply to the Public Utilities Commission of Nevada for authority to establish a program of optional pricing for electricity that is generated from renewable energy. Such a program may provide the customers of the utility with the option of paying a higher rate for electricity to support the increased use by the utility of renewable energy in the generation of electricity. (NRS 704.738) Section 1.4 of this bill provides that if the Commission makes certain determinations, the Commission may authorize an electric utility to establish a program to provide a retail customer of the electric utility the option to purchase electricity from a renewable energy facility owned by the utility or with which the utility has a contract for the purchase of electricity. Section 1.4 further authorizes the Commission: (1) upon the request of an electric utility, to exclude a renewable energy facility owned by the electric utility from the rate base of the utility; and (2) to determine a reasonable rate for the electricity generated by the renewable energy facility.

Section 2 of this bill sets forth findings and declarations of the Legislature that it is the policy of this State to: (1) encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State; (2) become a leading producer and consumer of clean and renewable energy; and (3) ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State.

Existing law requires the Public Utilities Commission of Nevada to establish a portfolio standard which requires each provider of electric service in this State to generate, acquire or save electricity from renewable energy systems or efficiency measures a certain percentage of the total amount of electricity sold by the provider to its retail customers in this State during a calendar year. (NRS 704.7821) Section 3 of this bill revises the portfolio standard for calendar year 2018 and each calendar year thereafter so that by calendar year 2030 and for each calendar year thereafter, each provider of electric service will be required to generate, acquire or save electricity from renewable energy systems or efficiency measures not less than 40 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year. Section 3 also: (1) eliminates the requirement that a minimum percentage of the amount of electricity that the

provider is required to generate, acquire or save be generated or acquired from solar renewable energy systems; (2) provides that a provider of electric service is deemed to have complied with its portfolio standard for a calendar year if the average amount of portfolio energy credits ~~earned~~ eligible for use by the provider to ~~during~~ comply with the provider's portfolio standard for the calendar year and the immediately preceding 2 calendar years is equal to or greater than the average of the number of portfolio energy credits needed to comply with the provider's portfolio standard for those years; (3) revises, for the purposes of compliance with the portfolio standard, the provisions governing the calculation of the total amount of electricity sold by a provider to its retail customers in this State; and (4) revises the circumstances under which the Commission is required to exempt a provider of electric service from the requirements of its portfolio standard for a calendar year.

Sections 1.5, 1.7, 2.2 and 2.7 of this bill provide for qualified energy storage systems to be used for compliance with the portfolio standard. Section 3 limits the use of such qualified energy storage systems to not more than 10 percent of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems.

Section 2.3 and 4.3 of this bill revise provisions governing the use of geothermal energy to comply with the portfolio standard.

Section 2.8 of this bill expands the definition of "provider of electric service" for the purposes of compliance with the portfolio standard. Section 2.5 of this bill provides that even though section 2.8 includes this State or an agency or instrumentality of this State in the definition of "provider of electric service" for the purposes of the portfolio standard, this State or an agency or instrumentality of this State is not subject to the jurisdiction of the Commission. Sections 2.4 and 7 of this bill provide that if this State or an agency or instrumentality of this State sells electricity to retail customers for consumption in this State, the State or the agency or instrumentality must, beginning on July 1, 2020, and each year thereafter, provide reports to the Director of the Office of Energy.

Sections 3 and 4 of this bill provide that the portfolio standard established by NRS 704.7821 is applicable to providers of new electric resources, and also revises the limits on energy efficiency measures used to comply with the portfolio standard. Section 5 of this bill requires the Commission to revise certain portfolio standards established for a provider of new electric resources to comply with the revised portfolio standard established by section 3.

Existing law requires an electricity utility with an annual operating revenue of \$2,500,000 or more in this State to submit to the Commission, on or before July 1 of every third year, a plan to increase its supply of electricity or decrease the demands on its system by its customers. (NRS 704.741) Section 2.59 of this bill: (1) prohibits the Commission from rejecting any portion of such a plan, or a portion of an amendment to such a plan, that

includes a new renewable energy contract or the construction or acquisition of a new renewable energy facility for the purpose of complying with the utility's portfolio standard solely on the grounds of any uncertainty relating to a ballot question to require the Legislature to provide by law for an open, competitive retail electric energy market for all electricity customers in a service territory; and (2) enacts provisions governing the costs and benefits of such new renewable energy contracts or facilities if the Legislature provides by law for an open, competitive retail electric energy market.

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

Section 1. (Deleted by amendment.)

Sec. 1.3. Chapter 704 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.4 to 2.5, inclusive, of this act.

Sec. 1.4. 1. *Upon the request of an electric utility, the Commission may exclude a renewable energy facility from the rate base of the electric utility and determine, without regard to cost-of-service principles, a reasonable rate for the electricity produced by the renewable energy facility. The Commission may determine a reasonable rate for such electricity by reference to:*

- (a) A competitive solicitation;*
- (b) A market index; or*
- (c) Other relevant pricing benchmarks or proxies.*

2. *In addition to the program authorized by NRS 704.738, the Commission may authorize an electric utility which owns, or has a contract to purchase electricity from, a renewable energy facility to establish a program to provide a retail customer of the electric utility the option to purchase electricity produced by the renewable energy facility if the Commission determines that:*

- (a) The charge for the electricity purchased pursuant to the program is reasonable;*
- (b) The program does not adversely affect customers of the electric utility who do not participate in the program; and*
- (c) The program advances the goals of this State for economic development and the development of renewable energy.*

3. *As used in this section:*

- (a) "Renewable energy" has the meaning ascribed to it in NRS 704.7811.*
- (b) "Renewable energy facility" has the meaning ascribed to it in NRS 704.7315.*

Sec. 1.5. *"Energy storage system" means commercially available technology that is capable of retaining energy, storing the energy for a period of time and delivering the energy after storage, including, without limitation, by chemical, thermal or mechanical means.*

Sec. 1.7. *"Qualified energy storage system" means an energy storage system that is used to:*

1. Store electricity which is generated by renewable energy and which is delivered during a peak load period; or

2. Provide ancillary services for integrating electricity which is generated by renewable energy into the electricity grid. Such ancillary services include, without limitation, providing reserve electricity, reserve capacity, frequency regulation, reactive power and voltage support.

Sec. 2. The Legislature finds and declares that it is the policy of this State to:

1. Encourage and accelerate the development of new renewable energy projects for the economic, health and environmental benefits provided to the people of this State;

2. Become a leading producer and consumer of clean and renewable energy; and

3. Ensure that the benefits of the increased use of portfolio energy systems and energy efficiency measures are received by the residents of this State. Such benefits include, without limitation, improved air quality, reduced water use, a more diverse portfolio of resources for generating electricity, reduced fossil fuel consumption and more stable rates for retail customers of electricity.

Sec. 2.1. (Deleted by amendment.)

Sec. 2.2. 1. Subject to the limitations set forth in this section and paragraph (b) of subsection 2 of NRS 704.7821, for the purpose of complying with a portfolio standard established pursuant to NRS 704.7821 or 704.78213, a provider shall be deemed to have generated or acquired 2.0 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity delivered by or acquired from a qualified energy storage system, if the owner or operator of the qualified energy storage system demonstrates to the Commission:

(a) For the purposes of subsection 1 of section 1.7 of this act, that the electricity:

(1) Stored in the qualified energy storage system was generated by renewable energy; and

(2) Delivered by the qualified energy storage system was delivered during a peak load period.

(b) For the purposes of subsection 2 of section 1.7 of this act, that the ancillary services provided by the qualified energy storage system were used to integrate into the grid electricity which was generated by renewable energy.

2. For the purposes of subsection 1, a provider shall not be deemed to have generated or acquired more than 2.0 kilowatt-hours of electricity from a renewable energy system per day for each 1.0 kilowatt-hour of installed capacity of the qualified energy storage system.

3. For the purposes of subsection 1, the owner or operator of the qualified energy storage system must make his or her demonstration to the

Commission using the operating algorithms, rules and schedules and market participation of the qualified energy storage system, to the extent applicable.

4. *For the purposes of subsection 1, if the provider has paid for or directly reimbursed, in whole or in part, the costs of the acquisition of a qualified energy storage system by one or more of its retail customers, the electricity delivered by or acquired from the qualified energy storage system shall be deemed to be electricity delivered by or acquired from the provider.*

5. *For the purposes of subsection 1, the owner or operator of a qualified energy storage system is responsible for paying the cost of any metering required to measure the electricity delivery by or acquired from a qualified energy storage system.*

Sec. 2.3. *For the purpose of complying with a portfolio standard established pursuant to NRS 704.7821 or 704.78213, a provider shall be deemed to have generated or acquired 1.5 kilowatt-hours of electricity from a renewable energy system for each 1.0 kilowatt-hour of actual electricity generated or acquired from a portfolio energy system that generates electricity from geothermal energy, if the system was placed into operation on or after January 1, 2018.*

Sec. 2.4. *A provider of electric service described in paragraph (a) of subsection 3 of NRS 704.7808 shall, on or before July 1 of each year, submit to the Director of the Office of Energy appointed pursuant to NRS 701.150 a report which contains the information described in subsection 4 of NRS 704.7825.*

Sec. 2.5. *Notwithstanding any provision of law to the contrary, a provider of electric service described in paragraph (a) of subsection 3 of NRS 704.7808 is not subject to the jurisdiction of the Commission.*

Sec. 2.51. NRS 704.032 is hereby amended to read as follows:

704.032 The Office of Economic Development may participate in proceedings before the Public Utilities Commission of Nevada concerning a public utility in the business of supplying electricity or natural gas to advocate the accommodation of the State Plan for Economic Development developed by the Executive Director of the Office pursuant to subsection 2 of NRS 231.053. The Office of Economic Development may intervene as a matter of right in a proceeding pursuant to NRS 704.736 to 704.754, inclusive, *and section 1.4 of this act* or 704.991.

Sec. 2.53. NRS 704.635 is hereby amended to read as follows:

704.635 When a complaint has been filed with the Commission alleging that a person is providing a service which requires a certificate of public convenience and necessity, or when the Commission has reason to believe that any provision of NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act* or 704.9901 is being violated, the Commission shall investigate the operation and may, after a hearing, issue an order requiring that the person cease and desist from any operation in violation of NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act* or 704.9901. The Commission shall enforce the order under the powers vested in the Commission by

NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act* or 704.9901 or other law.

Sec. 2.55. NRS 704.640 is hereby amended to read as follows:

704.640 Except as otherwise provided in NRS 704.6881 to 704.6884, inclusive, any person who:

1. Operates any public utility to which NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act*, 704.9901 and 704.993 to 704.999, inclusive, apply without first obtaining a certificate of public convenience and necessity or in violation of its terms;

2. Fails to make any return or report required by NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act*, 704.9901 and 704.993 to 704.999, inclusive, or by the Commission pursuant to NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act*, 704.9901 and 704.993 to 704.999, inclusive;

3. Violates, or procures, aids or abets the violating of any provision of NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act*, 704.9901 and 704.993 to 704.999, inclusive;

4. Fails to obey any order, decision or regulation of the Commission;

5. Procures, aids or abets any person in the failure to obey the order, decision or regulation; or

6. Advertises, solicits, proffers bids or otherwise holds himself, herself or itself out to perform as a public utility in violation of any of the provisions of NRS 704.005 to 704.754, inclusive, *and section 1.4 of this act*, 704.9901 and 704.993 to 704.999, inclusive,

↪ shall be fined not more than \$500.

Sec. 2.57. NRS 704.736 is hereby amended to read as follows:

704.736 The application of NRS 704.736 to 704.754, inclusive, *and section 1.4 of this act* is limited to any public utility in the business of supplying electricity which has an annual operating revenue in this state of \$2,500,000 or more.

Sec. 2.59. NRS 704.751 is hereby amended to read as follows:

704.751 1. After a utility has filed the plan required pursuant to NRS 704.741, the Commission shall issue an order accepting or modifying the plan or specifying any portions of the plan it deems to be inadequate:

(a) Within 135 days for any portion of the plan relating to the energy supply plan for the utility for the 3 years covered by the plan; and

(b) Within 180 days for all portions of the plan not described in paragraph (a).

↪ If the Commission issues an order modifying the plan, the utility may consent to or reject some or all of the modifications by filing with the Commission a notice to that effect. Any such notice must be filed not later than 30 days after the date of issuance of the order. If such a notice is filed, any petition for reconsideration or rehearing of the order must be filed with the Commission not later than 10 business days after the date the notice is filed.

2. If a utility files an amendment to a plan, the Commission shall issue an order accepting or modifying the amendment or specifying any portions of the amendment it deems to be inadequate:

(a) Within 135 days after the filing of the amendment; or

(b) Within 180 days after the filing of the amendment for all portions of the amendment which contain an element of the emissions reduction and capacity replacement plan.

➔ If the Commission issues an order modifying the amendment, the utility may consent to or reject some or all of the modifications by filing with the Commission a notice to that effect. Any such notice must be filed not later than 30 days after the date of issuance of the order. If such a notice is filed, any petition for reconsideration or rehearing of the order must be filed with the Commission not later than 10 business days after the date the notice is filed.

3. *The Commission shall not reject any portion of a plan required pursuant to NRS 704.741, or a portion of an amendment to such a plan, that includes a new renewable energy contract or the construction or acquisition of a renewable energy facility for the purpose of complying with the provisions of NRS 704.7801 to 704.7828, inclusive, and sections 1.5 to 2.5, inclusive, of this act solely on the grounds of any uncertainty relating to a ballot question to require the Legislature to provide by law for an open, competitive retail electric energy market for all electricity customers in a service territory. If such a ballot question is approved by the voters of this State and the Legislature provides by law for such an open, competitive market in a service territory, the costs and benefits of any such renewable energy contract or renewable energy facility approved by the Commission must be transferred to a provider of electricity or the retail customers of a provider of electricity.*

4. All prudent and reasonable expenditures made to develop the utility's plan, including environmental, engineering and other studies, must be recovered from the rates charged to the utility's customers.

~~{4.}~~ 5. The Commission may accept a transmission plan submitted pursuant to subsection 4 of NRS 704.741 for a renewable energy zone if the Commission determines that the construction or expansion of transmission facilities would facilitate the utility meeting the portfolio standard, as defined in NRS 704.7805.

~~{5.}~~ 6. The Commission shall adopt regulations establishing the criteria for determining the adequacy of a transmission plan submitted pursuant to subsection 4 of NRS 704.741.

~~{6.}~~ 7. Any order issued by the Commission accepting or modifying an element of an emissions reduction and capacity replacement plan must include provisions authorizing the electric utility to construct or acquire and own electric generating plants necessary to meet the capacity amounts approved in, and carry out the provisions of, the plan. As used in this subsection, "capacity" means an amount of firm electric generating capacity

used by the electric utility for the purpose of preparing a plan filed with the Commission pursuant to NRS 704.736 to 704.754, inclusive ~~[-]~~ , and section 1.4 of this act.

Sec. 2.6. NRS 704.7801 is hereby amended to read as follows:

704.7801 As used in NRS 704.7801 to 704.7828, inclusive, and sections 1.5 to 2.5, inclusive, of this act unless the context otherwise requires, the words and terms defined in NRS 704.7802 to 704.7819, inclusive, and sections 1.5 and 1.7 of this act have the meanings ascribed to them in those sections.

Sec. 2.7. NRS 704.7804 is hereby amended to read as follows:

704.7804 "Portfolio energy system or efficiency measure" means:

1. Any renewable energy system:

(a) Placed into operation before July 1, 1997, if a provider of electric service used electricity generated or acquired from the renewable energy system to satisfy its portfolio standard before July 1, 2009; or

(b) Placed into operation on or after July 1, 1997; ~~[-]~~

2. Any energy efficiency measure installed on or before December 31, 2019 ~~[-]~~ ; or

3. Any qualified energy storage system.

Sec. 2.8. NRS 704.7808 is hereby amended to read as follows:

704.7808 1. "Provider of electric service" and "provider" mean any person or entity that is in the business of selling electricity to retail customers for consumption in this State, regardless of whether the person or entity is otherwise subject to regulation by the Commission.

2. The term includes, without limitation, a provider of new electric resources that is selling electricity to an eligible customer for consumption in this State pursuant to the provisions of chapter 704B of NRS.

3. ~~[-]~~ Except as otherwise provided in this subsection, the term does not include:

(a) This State or an agency or instrumentality of this State.

(b) A rural electric cooperative established pursuant to chapter 81 of NRS.

(c) A general improvement district established pursuant to chapter 318 of NRS.

(d) A utility established pursuant to chapter 709 or 710 of NRS.

(e) A cooperative association, nonprofit corporation, nonprofit association or provider of electric service which is declared to be a public utility pursuant to NRS 704.673 and which provides service only to its members.

~~[-]~~

↪ For calendar year 2018 and for each calendar year thereafter, the term includes an entity identified in this subsection during the entirety of any calendar year in which the total amount of electricity sold by the entity to its retail customers in this State during that calendar year equals or exceeds 1,000,000 megawatt-hours.

4. The term does not include:

(a) A landlord of a manufactured home park or mobile home park or owner of a company town who is subject to any of the provisions of NRS 704.905 to 704.960, inclusive.

~~[(g)]~~ (b) A landlord who pays for electricity that is delivered through a master meter and who distributes or resells the electricity to one or more tenants for consumption in this State.

Sec. 2.9. (Deleted by amendment.)

Sec. 3. NRS 704.7821 is hereby amended to read as follows:

704.7821 1. For each provider of electric service, the Commission shall establish a portfolio standard. ~~[(The)]~~ *Except as otherwise provided in subsections 5, 6 and 8, the* portfolio standard must require each provider to generate, acquire or save electricity from portfolio energy systems or efficiency measures in an amount that is:

(a) For calendar years 2005 and 2006, not less than 6 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(b) For calendar years 2007 and 2008, not less than 9 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(c) For calendar years 2009 and 2010, not less than 12 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(d) For calendar years 2011 and 2012, not less than 15 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(e) For calendar years 2013 and 2014, not less than 18 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(f) For calendar years 2015 through ~~[(2019,)]~~ 2017, inclusive, not less than 20 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(g) For calendar years ~~[(2020 through 2024, inclusive,)]~~ 2018 through 2020, inclusive, not less than ~~[(22)]~~ 24 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

(h) *For calendar years 2021 through 2023, inclusive, not less than 28 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.*

(i) *For calendar years 2024 through 2026, inclusive, not less than 32 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.*

(j) *For calendar years 2027 through 2029, inclusive, not less than 36 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.*

(k) For calendar year ~~{2025}~~ 2030 and for each calendar year thereafter, not less than ~~{25}~~ 40 percent of the total amount of electricity sold by the provider to its retail customers in this State during that calendar year.

2. In addition to the requirements set forth in subsection 1, the portfolio standard for each provider must require that:

~~(a) {Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not less than:~~

~~—(1) For calendar years 2009 through 2015, inclusive, 5 percent of that amount must be generated or acquired from solar renewable energy systems.~~

~~—(2) For calendar year 2016 and for each calendar year thereafter, 6 percent of that amount must be generated or acquired from solar renewable energy systems.~~

~~—(b)} Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures:~~

(1) During calendar years 2013 and 2014, not more than 25 percent of that amount may be based on energy efficiency measures;

(2) During each calendar year 2015 to 2019, inclusive, not more than 20 percent of that amount may be based on energy efficiency measures;

(3) During each calendar year 2020 to 2024, inclusive, not more than 10 percent of that amount may be based on energy efficiency measures; and

(4) For calendar year 2025 and each calendar year thereafter, no portion of that amount may be based on energy efficiency measures.

➤ If the provider intends to use energy efficiency measures to comply with its portfolio standard during any calendar year, of the total amount of electricity saved from energy efficiency measures for which the provider seeks to obtain portfolio energy credits pursuant to this paragraph, at least 50 percent of that amount must be saved from energy efficiency measures installed at service locations of residential customers of the provider, unless a different percentage is approved by the Commission.

~~{(e)} (b) Of the total amount of electricity that the provider is required to generate, acquire or save from portfolio energy systems or efficiency measures, for calendar year 2018 and each calendar year thereafter, not more than 10 percent of that amount may be based on qualified energy storage systems.~~

(c) If the provider acquires or saves electricity from a portfolio energy system or efficiency measure pursuant to a renewable energy contract or energy efficiency contract with another party:

(1) The term of the contract must be not less than 10 years, unless the other party agrees to a contract with a shorter term; and

(2) The terms and conditions of the contract must be just and reasonable, as determined by the Commission. If the provider is a utility provider and the Commission approves the terms and conditions of the contract between the utility provider and the other party, the contract and its

terms and conditions shall be deemed to be a prudent investment and the utility provider may recover all just and reasonable costs associated with the contract.

3. If, for the benefit of one or more retail customers in this State, the provider has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. The Commission shall adopt regulations that establish a system of portfolio energy credits that may be used by a provider to comply with its portfolio standard.

5. Except as otherwise provided in *this subsection and* subsection 6, each provider shall comply with its portfolio standard during each calendar year. *For calendar year 2020 and each calendar year thereafter, a provider shall be deemed to have complied with its portfolio standard during the calendar year if the average number of portfolio energy credits ~~learned~~ eligible for use by the provider ~~during~~ to comply with the provider's portfolio standard for the calendar year and the immediately preceding 2 calendar years is equal to or greater than the average of the number of portfolio energy credits needed to comply with the provider's portfolio standards for the calendar year and the immediately preceding 2 calendar years.*

6. If, for any calendar year, a provider is unable to comply with its portfolio standard through the generation of electricity from its own renewable energy systems or, if applicable, through the use of portfolio energy credits, the provider shall take actions to acquire or save electricity pursuant to one or more renewable energy contracts or energy efficiency contracts. ~~[If the Commission determines that, for a calendar year, there is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions, the]~~ The Commission shall exempt the provider, for that calendar year, from the remaining requirements of its portfolio standard or from any appropriate portion thereof, as determined by the Commission ~~[.] if the Commission determines that, for a calendar year:~~

(a) *There is not or will not be a sufficient supply of electricity or a sufficient amount of energy savings made available to the provider pursuant to renewable energy contracts and energy efficiency contracts with just and reasonable terms and conditions;*

(b) *The provider is unable to obtain a sufficient supply of electricity to comply with the portfolio standard because the Commission has rejected a proposal included by a provider in a plan filed pursuant to NRS 704.741, or an amendment to such a plan, to acquire or save electricity pursuant to new*

renewable energy contracts or energy efficiency contracts or to construct or acquire a new renewable energy facility; or

(c) The provider is unable to obtain a sufficient supply of electricity to comply with the portfolio standard because of a delay in the completion of the construction of a renewable energy facility that is under the control of a person or entity other than the provider and that was intended to provide electricity.

7. The Commission shall adopt regulations that establish:

(a) Standards for the determination of just and reasonable terms and conditions for the renewable energy contracts and energy efficiency contracts that a provider must enter into to comply with its portfolio standard.

(b) Methods to classify the financial impact of each long-term renewable energy contract and energy efficiency contract as an additional imputed debt of a utility provider. The regulations must allow the utility provider to propose an amount to be added to the cost of the contract, at the time the contract is approved by the Commission, equal to a compensating component in the capital structure of the utility provider. In evaluating any proposal made by a utility provider pursuant to this paragraph, the Commission shall consider the effect that the proposal will have on the rates paid by the retail customers of the utility provider.

8. ~~{Except as otherwise provided in NRS 704.78213, the provisions of this section do not apply to a provider of new electric resources as defined in NRS 704B.130.}~~ For the purposes of subsection 1, for calendar year 2018 and for each calendar year thereafter, the total amount of electricity sold by a provider:

(a) Described in subsection 3 of NRS 704.7808 to its retail customers in this State during a calendar year does not include the first 1,000,000 megawatt-hours of electricity sold by the provider to such customers during that calendar year.

(b) To its retail customers in this State during a calendar year does not include the amount of electricity sold by the provider as part of a program of optional pricing authorized by the Commission pursuant to NRS 704.738 or section 1.4 of this act.

9. As used in this section:

(a) "Energy efficiency contract" means a contract to attain energy savings from one or more energy efficiency measures owned, operated or controlled by other parties.

(b) "Renewable energy contract" means a contract to acquire electricity from one or more renewable energy systems owned, operated or controlled by other parties.

(c) "Terms and conditions" includes, without limitation, the price that a provider must pay to acquire electricity pursuant to a renewable energy contract or to attain energy savings pursuant to an energy efficiency contract.

Sec. 4. NRS 704.78213 is hereby amended to read as follows:

704.78213 1. If the Commission issues an order approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer, the Commission must establish in the order a portfolio standard applicable to the electricity sold by the provider of new electric resources to the eligible customer in accordance with the order. The portfolio standard must require the provider of new electric resources to generate, acquire or save electricity from portfolio energy systems or efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821 . ~~{which is effective on the date on which the order approving the application or request is approved.}~~

2. ~~{OR}~~ *Except as otherwise provided in this subsection, of the total amount of electricity that a provider of new electric resources is required to generate, acquire or save from portfolio energy systems or efficiency measures during each calendar year, not more than 25 percent of that amount may be based on energy efficiency measures. Subject to the provisions of paragraphs (a) and (b), the provisions of this subsection apply to an order of the Commission approving an application that is filed pursuant to NRS 704B.310 or a request that is filed pursuant to NRS 704B.325 regarding a provider of new electric resources and an eligible customer only if the order is issued by the Commission before July 1, 2017. If such an order was issued by the Commission:*

(a) Before July 1, 2012, the provisions of this subsection apply for all calendar years.

(b) On or after July 1, 2012, and before July 1, 2017, the provisions of this subsection apply only for calendar years before calendar year 2025.

3. If, for the benefit of one or more eligible customers, the eligible customer of a provider of new electric resources has paid for or directly reimbursed, in whole or in part, the costs of the acquisition or installation of a solar energy system which qualifies as a renewable energy system and which reduces the consumption of electricity, the total reduction in the consumption of electricity during each calendar year that results from the solar energy system shall be deemed to be electricity that the provider of new electric resources generated or acquired from a renewable energy system for the purposes of complying with its portfolio standard.

4. As used in this section:

(a) "Eligible customer" has the meaning ascribed to it in NRS 704B.080.

(b) "Provider of new electric resources" has the meaning ascribed to it in NRS 704B.130.

Sec. 4.3. (Deleted by amendment.)

Sec. 4.7. NRS 704.7825 is hereby amended to read as follows:

704.7825 1. Each provider of electric service shall submit to the Commission an annual report that provides information relating to the actions taken by the provider to comply with its portfolio standard.

2. Each provider shall submit the annual report to the Commission after the end of each calendar year and within the time prescribed by the Commission. The report must be submitted in a format approved by the Commission.

3. The Commission may adopt regulations that require providers to submit to the Commission additional reports during each calendar year.

4. Each annual report and each additional report must include clear and concise information that sets forth:

(a) The amount of electricity which the provider generated, acquired or saved from portfolio energy systems or efficiency measures during the reporting period and, if applicable, the amount of portfolio energy credits that the provider acquired, sold or traded during the reporting period to comply with its portfolio standard;

(b) The capacity of each renewable energy system owned, operated or controlled by the provider, the total amount of electricity generated by each such system during the reporting period and the percentage of that total amount which was generated directly from renewable energy;

(c) Whether, during the reporting period, the provider began construction on, acquired or placed into operation any renewable energy system and, if so, the date of any such event;

(d) Whether, during the reporting period, the provider participated in the acquisition or installation of any energy efficiency measures and, if so, the date of any such event; and

(e) Any other information that the Commission by regulation may deem relevant.

5. Based on the reports submitted by providers pursuant to this section, the Commission shall compile information that sets forth whether any provider has used energy efficiency measures to comply with its portfolio standard and, if so, the type of energy efficiency measures used and the amount of energy savings attributable to each such energy efficiency measure. The Commission shall report such information to:

(a) The Legislature, not later than the first day of each regular session; and

(b) The Legislative Commission, if requested by the Chair of the Commission.

6. *The provisions of this section do not apply to a provider of electric service described in paragraph (a) of subsection 3 of NRS 704.7808.*

Sec. 5. Notwithstanding the provisions of any other law or any ruling or order issued by or portfolio standard established by the Public Utilities Commission of Nevada to the contrary, for any portfolio standard established by the Commission pursuant to the provisions of subsection 1 of NRS 704.78213, as that section existed before July 1, 2017, on or after July 1, 2012, and before July 1, 2017, the Commission shall, for calendar year 2018 and for each calendar year thereafter, revise the portfolio standard to require the provider of new electric resources as defined in NRS 704B.130 to generate, acquire or save electricity from portfolio energy systems or

energy efficiency measures in the amounts described in the portfolio standard set forth in NRS 704.7821, as amended by section 3 of this act.

Sec. 6. (Deleted by amendment.)

Sec. 7. 1. This section and sections 1 to 2.3, inclusive, and 2.5 to 6, inclusive, of this act become effective on July 1, 2017.

2. Section 2.4 of this act becomes effective on July 1, 2020.

Senator Atkinson moved the adoption of the amendment.

Remarks by Senator Atkinson.

Amendment No. 1144 to Assembly Bill No. 206 on page 11 changes the word "earned" to "eligible for" and changes the "during" to "comply the provider portfolio standards."

Amendment adopted.

Senator Atkinson moved that the bill be placed on the Secretary's desk, upon return from reprint.

Motion carried.

Bill ordered reprinted, re-engrossed and to the Secretary's desk.

UNFINISHED BUSINESS
CONSIDERATION OF ASSEMBLY AMENDMENTS

Senate Bill No. 124.

The following Assembly amendment was read:

Amendment No. 1083.

SUMMARY—Revises provisions concerning the ownership, possession and control of firearms by certain persons. (BDR 3-307)

AN ACT relating to firearms; revising provisions concerning the surrender, sale or transfer of any firearm by an adverse party subject to an extended order for protection against domestic violence; requiring a person convicted of a battery which constitutes domestic violence and a person convicted of stalking in certain circumstances to permanently surrender, sell or transfer any such firearm; adding additional persons to the list of persons who are prohibited from owning or having in their possession or under their custody or control any firearm; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a court to include in an extended order for protection against domestic violence: (1) a requirement that the adverse party surrender, sell or transfer any firearm in his or her possession or under his or her custody or control; and (2) a prohibition on the adverse party against possessing or having under his or her custody or control any firearm while the order is in effect. (NRS 33.031) Existing law also authorizes the court to include in such an extended order a limited exception from the prohibition to possess or have under the adverse party's custody or control any firearm if the adverse party establishes certain facts relating to the necessity of using or possessing a firearm for purposes of his or her employment. (NRS 33.031) Section 1 of this bill adds the requirement that the adverse party establish that he or she only uses or possesses the firearm in the course of his or her

employment. Additionally, existing law makes an adverse party who violates any provision included in an extended order for protection against domestic violence concerning the surrender, sale, transfer, possession, custody or control of a firearm guilty of a gross misdemeanor. (NRS 33.031) Section 1 increases the crime to a category B felony.

Section 2 of this bill ~~revises the methods by which~~ provides that if an adverse party who is ordered to surrender, sell or transfer any firearm pursuant to an extended order for protection against domestic violence ~~may do so by removing the option to surrender a firearm to a person designated by the court. Section 2 provides that an adverse party who~~ does not have any firearm to surrender, sell or transfer, the adverse party must submit an affidavit to the court stating that fact. Section 2 additionally provides that if an adverse party sells or transfers a firearm to a licensed firearm dealer, the licensed firearm dealer is required to provide the adverse party with a receipt containing certain information regarding the sale or transfer.

Section 3 of this bill provides that in every judgment of conviction or admonishment of rights issued for a battery which constitutes domestic violence, the court must inform the person convicted that he or she is prohibited from owning, possessing or having under his or her custody or control any firearm, and order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or has in his or her possession or under his or her custody or control. Section 4 of this bill requires a court to include a finding ~~on~~ in the judgment of conviction or admonishment of rights of a person convicted of stalking if the court determines the victim has an ongoing, reasonable fear of physical harm and the convicted person has a relationship with the victim that also makes the act domestic violence. If such a finding is entered ~~on~~ in the judgment of conviction ~~or~~ or admonishment of rights, section 4 prohibits the convicted person from owning, possessing or having under his or her custody or control any firearm. Sections 3 and 4 also provide that a person who violates a provision included in a judgment of conviction or admonishment of rights issued for a battery which constitutes domestic violence or stalking relating to owning, possessing or taking other actions relating to a firearm is guilty of a category B felony.

Existing law prohibits certain persons from owning or having in their possession or under their custody or control any firearm. A person who violates such a provision is guilty of a category B felony. (NRS 202.360) Section 7 of this bill adds to such a list of persons: (1) a person who has been convicted of stalking pursuant to Nevada law or a substantially similar law of any other state and the court has entered a finding ~~on~~ in the judgment of conviction or admonishment of rights described above; and (2) a person currently subject to an extended order for protection against domestic violence in this State or an equivalent order in any other state. Section 5 of this bill requires such a person to surrender, sell or transfer any firearm that the person owns, possesses or has under his or her custody or control, and

sets forth the procedure relating to the surrender, sale or transfer of any such firearm.

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

Section 1. NRS 33.031 is hereby amended to read as follows:

33.031 1. A court may include in an extended order issued pursuant to NRS 33.030:

(a) A requirement that the adverse party surrender, sell or transfer any firearm in the adverse party's possession or under the adverse party's custody or control in the manner set forth in NRS 33.033; and

(b) A ~~prohibition on~~ statement that, unless the provisions of subsection 3 apply, the adverse party ~~against~~ is prohibited from possessing or having under the adverse party's custody or control any firearm while the order is in effect ~~[-] pursuant to NRS 202.360.~~

2. In determining whether to include the provisions set forth in subsection 1 in an extended order, the court must consider, without limitation, whether the adverse party:

(a) Has a documented history of domestic violence;

(b) Has used or threatened to use a firearm to injure or harass the applicant, a minor child or any other person; and

(c) Has used a firearm in the commission or attempted commission of any crime.

3. If a court includes the provisions set forth in subsection 1 in an extended order, the court may include a limited exception from the prohibition to possess or have under the adverse party's custody or control any firearm if the adverse party establishes that:

(a) The adverse party is employed by an employer who requires the adverse party to use or possess a firearm as an integral part of the adverse party's employment; ~~and~~

(b) *The adverse party only uses or possesses the firearm in the course of such employment; and*

(c) The employer will provide for the storage of any such firearm during any period when the adverse party is not working.

4. An adverse party who violates any provision included in an extended order pursuant to this section concerning the surrender, sale, transfer, possession, custody or control of a firearm is guilty of a ~~gross misdemeanor. If the court includes any such provision in an extended order, the~~ category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the order a statement that violation of such a provision in the order is a ~~gross misdemeanor.~~ category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

Sec. 2. NRS 33.033 is hereby amended to read as follows:

33.033 1. If a court orders an adverse party to surrender , *sell or transfer* any firearm pursuant to NRS 33.031, the adverse party shall, not later than 24 hours after service of the order:

(a) Surrender any firearm in the adverse party's possession or under the adverse party's custody or control to the appropriate local law enforcement agency designated by the court in the order;

(b) Surrender any firearm in the adverse party's possession or under the adverse party's custody or control to a person designated by the court in the order; ~~for~~

(c) Sell or transfer any firearm in the adverse party's possession or under the adverse party's custody or control to a licensed firearm dealer ~~for~~ ; or

~~for~~ (d) Submit an affidavit:

(1) *Informing the court that he or she currently does not have any firearm in his or her possession or under his or her custody or control; and*

(2) *Acknowledging that failure to surrender, sell or transfer any firearm in his or her possession or under his or her custody or control is a violation of the extended order and state law.*

2. If the court orders the adverse party to surrender any firearm to a local law enforcement agency pursuant to paragraph (a) of subsection 1, the law enforcement agency shall provide the adverse party with a receipt which includes a description of each firearm surrendered and the serial number of each firearm surrendered. The adverse party shall, not later than 72 hours or 1 business day, whichever is later, after surrendering any such firearm, provide the receipt to the court.

3. If the court orders the adverse party to surrender any firearm to a person designated by the court pursuant to paragraph (b) of subsection 1, the adverse party shall, not later than 72 hours or 1 business day, whichever is later, after the adverse party surrenders any firearm to such person, provide to the court and the appropriate local law enforcement agency the name and address of the person designated in the order and a written description of each firearm surrendered and the serial number of each firearm surrendered to such person.

4. If the adverse party sells or transfers any firearm to a licensed firearm dealer ~~that is subject to an order~~ pursuant to paragraph (c) ~~for~~ of subsection 1 ~~for~~ the :

(a) *The licensed firearm dealer shall provide the adverse party with a receipt which includes a description of each firearm sold or transferred , the serial number of each firearm sold or transferred and, if the firearm was transferred, whether the transfer is permanent or temporary; and*

(b) *The adverse party shall, not later than 72 hours or 1 business day, whichever is later, after such sale or transfer, provide the receipt to the court and the appropriate local law enforcement agency . ~~for a receipt of such sale or transfer and a written description of each firearm sold or transferred.~~*

5. ~~4.~~ If there is probable cause to believe that the adverse party has not surrendered, sold or transferred any firearm in the adverse party's possession or under the adverse party's custody or control within 24 hours after service of the order, the court may issue and deliver to any law enforcement officer a search warrant which authorizes the law enforcement officer to enter and search any place where there is probable cause to believe any firearm is located and seize the firearm.

6. ~~5.~~ A local law enforcement agency may charge and collect a fee from the adverse party for the collection and storage of a firearm pursuant to this section. The fee must not exceed the cost incurred by the local law enforcement agency to provide the service.

~~6.~~ 7. *A licensed firearm dealer may charge and collect a fee from the adverse party for the storage of a firearm pursuant to this section.*

~~7.~~ 8. *As used in this section, "licensed firearm dealer" means a person licensed pursuant to 18 U.S.C. § 923(a).*

Sec. 3. NRS 200.485 is hereby amended to read as follows:

200.485 1. Unless a greater penalty is provided pursuant to subsection 2 or NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018:

(a) For the first offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

(1) Imprisonment in the city or county jail or detention facility for not less than 2 days, but not more than 6 months; and

(2) Perform not less than 48 hours, but not more than 120 hours, of community service.

➤ The person shall be further punished by a fine of not less than \$200, but not more than \$1,000. A term of imprisonment imposed pursuant to this paragraph may be served intermittently at the discretion of the judge or justice of the peace, except that each period of confinement must be not less than 4 consecutive hours and must occur at a time when the person is not required to be at his or her place of employment or on a weekend.

(b) For the second offense within 7 years, is guilty of a misdemeanor and shall be sentenced to:

(1) Imprisonment in the city or county jail or detention facility for not less than 10 days, but not more than 6 months; and

(2) Perform not less than 100 hours, but not more than 200 hours, of community service.

➤ The person shall be further punished by a fine of not less than \$500, but not more than \$1,000.

(c) For the third and any subsequent offense within 7 years, is guilty of a category C felony and shall be punished as provided in NRS 193.130.

2. Unless a greater penalty is provided pursuant to NRS 200.481, a person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, if the battery is committed by strangulation as described in

NRS 200.481, is guilty of a category C felony and shall be punished as provided in NRS 193.130 and by a fine of not more than \$15,000.

3. In addition to any other penalty, if a person is convicted of a battery which constitutes domestic violence pursuant to NRS 33.018, the court shall:

(a) For the first offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for not less than 6 months, but not more than 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

(b) For the second offense within 7 years, require the person to participate in weekly counseling sessions of not less than 1 1/2 hours per week for 12 months, at his or her expense, in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

➤ If the person resides in this State but the nearest location at which counseling services are available is in another state, the court may allow the person to participate in counseling in the other state in a program for the treatment of persons who commit domestic violence that has been certified pursuant to NRS 228.470.

4. An offense that occurred within 7 years immediately preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of this section when evidenced by a conviction, without regard to the sequence of the offenses and convictions. The facts concerning a prior offense must be alleged in the complaint, indictment or information, must not be read to the jury or proved at trial but must be proved at the time of sentencing and, if the principal offense is alleged to be a felony, must also be shown at the preliminary examination or presented to the grand jury.

5. In addition to any other fine or penalty, the court shall order such a person to pay an administrative assessment of \$35. Any money so collected must be paid by the clerk of the court to the State Controller on or before the fifth day of each month for the preceding month for credit to the Account for Programs Related to Domestic Violence established pursuant to NRS 228.460.

6. In addition to any other penalty, the court may require such a person to participate, at his or her expense, in a program of treatment for the abuse of alcohol or drugs that has been certified by the Division of Public and Behavioral Health of the Department of Health and Human Services.

7. If it appears from information presented to the court that a child under the age of 18 years may need counseling as a result of the commission of a battery which constitutes domestic violence pursuant to NRS 33.018, the court may refer the child to an agency which provides child welfare services. If the court refers a child to an agency which provides child welfare services, the court shall require the person convicted of a battery which constitutes domestic violence pursuant to NRS 33.018 to reimburse the agency for the

costs of any services provided, to the extent of the convicted person's ability to pay.

8. If a person is charged with committing a battery which constitutes domestic violence pursuant to NRS 33.018, a prosecuting attorney shall not dismiss such a charge in exchange for a plea of guilty, guilty but mentally ill or nolo contendere to a lesser charge or for any other reason unless the prosecuting attorney knows, or it is obvious, that the charge is not supported by probable cause or cannot be proved at the time of trial. A court shall not grant probation to and, except as otherwise provided in NRS 4.373 and 5.055, a court shall not suspend the sentence of such a person.

9. *In every judgment of conviction or admonishment of rights issued pursuant to this section, the court shall:*

(a) Inform the person convicted that he or she is prohibited from owning, possessing or having under his or her custody or control any firearm pursuant to NRS 202.360; and

(b) Order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or that is in his or her possession or under his or her custody or control in the manner set forth in section 5 of this act.

10. A person who violates any provision included in a judgment of conviction or admonishment of rights issued pursuant to this section concerning the surrender, sale, transfer, ownership, possession, custody or control of a firearm is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the judgment of conviction or admonishment of rights a statement that a violation of such a provision in the judgment or admonishment is a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

11. As used in this section:

(a) "Agency which provides child welfare services" has the meaning ascribed to it in NRS 432B.030.

(b) "Battery" has the meaning ascribed to it in paragraph (a) of subsection 1 of NRS 200.481.

(c) "Offense" includes a battery which constitutes domestic violence pursuant to NRS 33.018 or a violation of the law of any other jurisdiction that prohibits the same or similar conduct.

Sec. 4. NRS 200.575 is hereby amended to read as follows:

200.575 1. A person who, without lawful authority, willfully or maliciously engages in a course of conduct that would cause a reasonable person to feel terrorized, frightened, intimidated, harassed or fearful for the immediate safety of a family or household member, and that actually causes the victim to feel terrorized, frightened, intimidated, harassed or fearful for the immediate safety of a family or household member, commits the crime of

stalking. Except where the provisions of subsection 2 or 3 are applicable, a person who commits the crime of stalking:

(a) For the first offense, is guilty of a misdemeanor.

(b) For any subsequent offense, is guilty of a gross misdemeanor.

2. A person who commits the crime of stalking and in conjunction therewith threatens the person with the intent to cause the person to be placed in reasonable fear of death or substantial bodily harm commits the crime of aggravated stalking. A person who commits the crime of aggravated stalking shall be punished for a category B felony by imprisonment in the state prison for a minimum term of not less than 2 years and a maximum term of not more than 15 years, and may be further punished by a fine of not more than \$5,000.

3. A person who commits the crime of stalking with the use of an Internet or network site, electronic mail, text messaging or any other similar means of communication to publish, display or distribute information in a manner that substantially increases the risk of harm or violence to the victim shall be punished for a category C felony as provided in NRS 193.130.

4. Except as otherwise provided in subsection 2 of NRS 200.571, a criminal penalty provided for in this section may be imposed in addition to any penalty that may be imposed for any other criminal offense arising from the same conduct or for any contempt of court arising from the same conduct.

5. *If the court finds that a person convicted of stalking pursuant to this section committed the crime against a person listed in subsection 1 of NRS 33.018 and that the victim has an ongoing, reasonable fear of physical harm, the court shall enter the finding in its judgment of conviction ~~or~~ admonishment of rights.*

6. *If the court includes such a finding in a judgment of conviction or admonishment of rights issued pursuant to this section, the court shall:*

(a) Inform the person convicted that he or she is prohibited from owning, possessing or having under his or her control or custody any firearm pursuant to NRS 202.360; and

(b) Order the person convicted to permanently surrender, sell or transfer any firearm that he or she owns or that is in his or her possession or under his or her custody or control in the manner set forth in section 5 of this act.

7. A person who violates any provision included in a judgment of conviction or admonishment of rights issued pursuant to this section concerning the surrender, sale, transfer, ownership, possession, custody or control of a firearm is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000. The court must include in the judgment of conviction or admonishment of rights a statement that a violation of such a provision in the judgment or admonishment is a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not

less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

8. The penalties provided in this section do not preclude the victim from seeking any other legal remedy available.

~~{6.}~~ 9. As used in this section:

(a) "Course of conduct" means a pattern of conduct which consists of a series of acts over time that evidences a continuity of purpose directed at a specific person.

(b) "Family or household member" means a spouse, a former spouse, a parent or other person who is related by blood or marriage or is or was actually residing with the person.

(c) "Internet or network site" has the meaning ascribed to it in NRS 205.4744.

(d) "Network" has the meaning ascribed to it in NRS 205.4745.

~~(e) ["Provider of Internet service" has the meaning ascribed to it in NRS 205.4758.~~

~~(f)~~ "Text messaging" means a communication in the form of electronic text or one or more electronic images sent from a telephone or computer to another person's telephone or computer by addressing the communication to the recipient's telephone number.

~~{(g)}~~ (f) "Without lawful authority" includes acts which are initiated or continued without the victim's consent. The term does not include acts which are otherwise protected or authorized by constitutional or statutory law, regulation or order of a court of competent jurisdiction, including, but not limited to:

(1) Picketing which occurs during a strike, work stoppage or any other labor dispute.

(2) The activities of a reporter, photographer, camera operator or other person while gathering information for communication to the public if that person is employed or engaged by or has contracted with a newspaper, periodical, press association or radio or television station and is acting solely within that professional capacity.

(3) The activities of a person that are carried out in the normal course of his or her lawful employment.

(4) Any activities carried out in the exercise of the constitutionally protected rights of freedom of speech and assembly.

Sec. 5. Chapter 202 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *If a person is prohibited from owning, possessing or having under his or her custody or control a firearm pursuant to NRS 202.360, the court in which the person is convicted shall order the person to surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to a designated law enforcement agency, a person designated by court order or a licensed firearm dealer, and the person shall, not later than 24 hours after service of the order:*

(a) Surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to the appropriate local law enforcement agency designated by the court in the order;

(b) Surrender any firearm that the person owns or that is in his or her possession or under his or her custody or control to a person designated by the court in the order;

(c) Sell or transfer any firearm that the person owns or that is in his or her possession or under his or her custody or control to a licensed firearm dealer; or

~~((e))~~ (d) Submit an affidavit:

(1) Informing the court that he or she currently does not own or have any firearm in his or her possession or under his or her custody or control; and

(2) Acknowledging that failure to surrender, sell or transfer any firearm that he or she owns or has in his or her possession or under his or her custody or control is a violation of the order and state law.

2. If the court orders a person to surrender any firearm to a local law enforcement agency pursuant to paragraph (a) of subsection 1, the law enforcement agency shall provide the person with a receipt which includes a description of each firearm surrendered and the serial number of each firearm surrendered. The person shall, not later than 72 hours or 1 business day, whichever is later, after surrendering any such firearm, provide the receipt to the court.

3. If a person surrenders any firearm to a person designated by the court pursuant to paragraph (b) of subsection 1, the person who surrenders the firearm shall, not later than 72 hours or 1 business day, whichever is later, after the person surrenders any firearm to such person, provide to the court and the appropriate local law enforcement agency the name and address of the person designated in the order and a written description of each firearm surrendered and the serial number of each firearm surrendered to such person.

4. If a person sells or transfers any firearm to a licensed firearm dealer pursuant to paragraph ~~((b))~~ (c) of subsection 1:

(a) The licensed firearm dealer shall provide the person with a receipt which includes a description of each firearm sold or transferred and the serial number of each firearm sold or transferred; and

(b) The person shall, not later than 72 hours or 1 business day, whichever is later, after such sale or transfer, provide the receipt to the court and the appropriate local law enforcement agency.

~~4.1~~ 5. If there is probable cause to believe that the person has not surrendered, sold or transferred any firearm that the person owns or in the person's possession or under the person's custody or control within 24 hours after service of the order, the court may issue and deliver to any law enforcement officer a search warrant which authorizes the law enforcement

officer to enter and search any place where there is probable cause to believe any firearm is located and seize the firearm.

~~5.1~~ 6. A local law enforcement agency may charge and collect a fee from the person for the collection of a firearm pursuant to this section. The fee must not exceed the cost incurred by the local law enforcement agency to provide the service.

~~6.1~~ 7. As used in this section, "licensed firearm dealer" means a person licensed pursuant to 18 U.S.C. § 923(a).

Sec. 6. NRS 202.253 is hereby amended to read as follows:

202.253 As used in NRS 202.253 to 202.369, inclusive ~~[-]~~, and section 5 of this act:

1. "Explosive or incendiary device" means any explosive or incendiary material or substance that has been constructed, altered, packaged or arranged in such a manner that its ordinary use would cause destruction or injury to life or property.

2. "Firearm" means any device designed to be used as a weapon from which a projectile may be expelled through the barrel by the force of any explosion or other form of combustion.

3. "Firearm capable of being concealed upon the person" applies to and includes all firearms having a barrel less than 12 inches in length.

4. "Motor vehicle" means every vehicle that is self-propelled.

Sec. 7. NRS 202.360 is hereby amended to read as follows:

202.360 1. A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:

(a) Has been convicted in this State or any other state of a misdemeanor crime of domestic violence as defined in 18 U.S.C. § 921(a)(33);

(b) Has been convicted of a felony in this State or any other state, or in any political subdivision thereof, or of a felony in violation of the laws of the United States of America, unless the person has received a pardon and the pardon does not restrict his or her right to bear arms;

(c) *Has been convicted of a violation of NRS 200.575 or a law of any other state that prohibits the same or substantially similar conduct and the court entered a finding ~~for~~ in the judgment of conviction or admonishment of rights pursuant to subsection 5 of NRS 200.575;*

(d) Except as otherwise provided in NRS 33.031, is currently subject to ~~for~~;

(1) An extended order for protection against domestic violence pursuant to NRS 33.017 to 33.100, inclusive, which includes a statement that the adverse party is prohibited from possessing or having under his or her custody or control any firearm ~~for~~ while the order is in effect; or ~~for~~

(2) An equivalent order in any other state;

(e) Is a fugitive from justice;

~~[(d)]~~ (f) Is an unlawful user of, or addicted to, any controlled substance;

or

~~{{e}}~~ (g) Is otherwise prohibited by federal law from having a firearm in his or her possession or under his or her custody or control.

➡ A person who violates the provisions of this subsection is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 6 years, and may be further punished by a fine of not more than \$5,000.

2. A person shall not own or have in his or her possession or under his or her custody or control any firearm if the person:

(a) Has been adjudicated as mentally ill or has been committed to any mental health facility by a court of this State, any other state or the United States;

(b) Has entered a plea of guilty but mentally ill in a court of this State, any other state or the United States;

(c) Has been found guilty but mentally ill in a court of this State, any other state or the United States;

(d) Has been acquitted by reason of insanity in a court of this State, any other state or the United States; or

(e) Is illegally or unlawfully in the United States.

➡ A person who violates the provisions of this subsection is guilty of a category D felony and shall be punished as provided in NRS 193.130.

3. As used in this section:

(a) "Controlled substance" has the meaning ascribed to it in 21 U.S.C. § 802(6).

(b) "Firearm" includes any firearm that is loaded or unloaded and operable or inoperable.

Sec. 8. 1. The provisions of NRS 33.031 and 33.033, as amended by sections 1 and 2 of this act, apply to an extended order issued pursuant to NRS 33.030 on or after October 1, 2017.

2. The provisions of NRS 200.485 and 200.575, as amended by sections 3 and 4 of this act, apply to a judgment of conviction or admonishment of rights issued on or after October 1, 2017.

3. The provisions of paragraph (c) of subsection 1 of NRS 202.360, as amended by section 7 of this act, apply to a judgment of conviction or admonishment of rights issued on or after October 1, 2017.

4. The provisions of paragraph (d) of subsection 1 of NRS 202.360, as amended by section 7 of this act, apply to an extended order issued pursuant to NRS 33.030 on or after October 1, 2017.

Senator Segerblom moved that the Senate concur in Assembly Amendment No. 1083 to Senate Bill No. 124.

Motion carried by a constitutional majority.

Bill ordered enrolled.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Cancela moved that Senate Bill No. 539 be taken from the Secretary's desk and placed on the General File.

Motion carried.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Senate Parliamentary Rules and Procedures has approved the consideration of: Amendment No. 1146 to Senate Bill No. 539.

KELVIN ATKINSON, *Chair*

GENERAL FILE AND THIRD READING

Senate Bill No. 539.

Bill read third time.

The following amendment was proposed by Senators Cancela and Ford:

Amendment No. 1146.

SUMMARY—Revises provisions relating to prescription drugs. (BDR 40-1217)

AN ACT relating to prescription drugs; requiring the Department of Health and Human Services to compile ~~to compile~~ certain lists of certain prescription drugs that are used to treat diabetes; requiring the manufacturer of a drug included on ~~the list~~ such lists and a pharmacy benefit manager to provide certain information to the Department; requiring the Department to compile a report based on such information; requiring a manufacturer of prescription drugs to submit a list of each pharmaceutical sales representative who markets prescription drugs to certain persons in this State; prohibiting a pharmaceutical sales representative who is not included on such a list from marketing prescription drugs on behalf of a manufacturer; requiring each pharmaceutical sales representative included on such a list to report certain information to the Department; requiring certain nonprofit organizations to report to the Department certain information concerning certain contributions and benefits received from drug manufacturers, insurers and pharmacy benefit managers or trade and advocacy groups for such entities; requiring the Department to place certain information on its Internet website; authorizing the Department to impose an administrative penalty in certain circumstances; providing that certain information does not constitute a trade secret; ~~requiring a pharmacy benefit manager to obtain a license from the Commissioner of Insurance;~~ imposing certain requirements on a pharmacy benefit manager; requiring a private school to allow a pupil to keep and self-administer certain drugs; requiring certain insurers to provide certain notice to insureds; providing ~~a penalty,~~ penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires the organization with the largest membership in this State which represents the interests of retail merchants to prepare a list of not less than 100 prescription drugs most commonly prescribed to residents of this State. (NRS 439.905) Existing law also requires the Department of

Health and Human Services to place on the Internet website maintained by the Department certain information reported by pharmacies concerning the prices charged by the pharmacies for drugs that appear on that list. (NRS 439.915) Section ~~[4]~~ 3.6 of this bill requires the Department to compile : (1) a list of prescription drugs that the Department determines to be essential for treating diabetes in this State; and (2) a list of such prescription drugs that ~~[(1) are used to treat diabetes; and (2)]~~ have been subject to a significant price increase within the immediately preceding 2 calendar years. Section 3.8 of this bill requires the manufacturer of a prescription drug included on the list of essential diabetes drugs to submit to the Department an annual report that contains certain information concerning the cost of the drug. Section 4 of this bill requires the manufacturer of a drug included on ~~[that]~~ the list of essential diabetes drugs that have undergone a substantial cost increase to submit to the Department a report concerning the reasons for the cost increase. Section 4.2 of this bill requires a pharmacy benefit manager to report certain information concerning essential diabetes drugs to the Department. Section 9 of this bill provides that any information that a manufacturer of an essential diabetes drug, a pharmacy benefit manager or a pharmaceutical sales representative is required to report is not a trade secret. Section ~~[4]~~ 4.3 of this bill requires the Department to analyze the information submitted by such manufacturers and compile a report concerning the reasons for and effect of the ~~[increases in the price of prescription drugs used to treat diabetes]~~. Section 6 of this bill requires the Department to place the report on the Internet website maintained by the Department. Section 8 of this bill authorizes the Department to impose an administrative penalty against any manufacturer that fails to report the information required by section 4. Sections 5 and 7 of this bill make conforming changes. ~~Existing law requires certain persons engaged in business relating to insurance to be licensed by the Commissioner of Insurance. (NRS 683A.090, 683A.201) Section 18 of this bill additionally requires a pharmacy benefit manager to be licensed by the Commissioner. Section 18 also authorizes the Commissioner to adopt regulations governing the management of prescription drug coverage by a pharmacy benefit manager.~~ pricing of essential diabetes drugs.

Section 4.9 of this bill requires a nonprofit organization that advocates for patients or funds medical research in this State to post on its Internet website or, if the nonprofit organization does not maintain an Internet website, submit to the Department certain information concerning payments, donations and anything else of value that the organization receives from manufacturers of prescription drugs, certain third parties or pharmacy benefit managers or trade or advocacy groups for such entities. Section 6 of this bill requires the Department to place on the Internet website maintained by the Department: (1) the information and lists compiled by the Department pursuant to sections 3.6, 4.3 and 4.6; and (2) the information submitted to the Department pursuant to sections 3.8 and 4.9. Section 6.5 of this bill provides

that the Department is not liable for any act, omission, error or technical problem that results in the failure to provide information or the provision of any incorrect information placed on the Internet website of the Department. Section 7 of this bill requires the Department to adopt any necessary regulations concerning the reporting of information by manufacturers and nonprofit organizations for inclusion on the Internet website of the Department. Section 26.3 of this bill requires an insurer that offers or issues a policy of individual health insurance and uses a formulary to provide, during each open enrollment period, a notice of any drugs on the list of essential diabetes drugs that have been removed from the formulary or will be removed from the formulary during the current plan year or the next plan year.

Section 4.6 of this bill requires a manufacturer to provide to the Department a list of each pharmaceutical sales representative who markets prescription drugs to providers of health care, pharmacies, medical facilities and insurers in this State on behalf of the manufacturer. Section 4.6 also prohibits a person who is not included on such a list from marketing prescription drugs on behalf of a manufacturer to providers of health care, pharmacies, medical facilities and insurers. Additionally, section 4.6 requires each pharmaceutical sales representative who is included on such a list to submit an annual report to the Department. Finally, section 4.6 requires the Department to compile an annual report based on the information submitted by pharmaceutical sales representatives. Section 8 of this bill authorizes the Department to impose an administrative penalty against a manufacturer, pharmacy benefit manager, nonprofit organization or pharmaceutical sales representative who fails to provide the information required by sections 3.8, 4, 4.2, 4.6 and 4.9.

Upon the submission of a written request, existing law requires a public school to allow a pupil who has asthma, anaphylaxis or diabetes to carry and self-administer medication to treat his or her disorder while the pupil is on the grounds of a public school, participating in an activity sponsored by a public school or on a school bus. (NRS 392.425) Willful failure to carry out this requirement is grounds to suspend, demote, dismiss or refuse to reemploy a teacher or administrator. (NRS 391.750) Section 8.6 of this bill: (1) imposes similar requirements for private schools; and (2) makes a willful violation of those requirements a misdemeanor. Section 19 of this bill provides that a pharmacy benefit manager has a fiduciary duty to an insurer with which the pharmacy benefit manager has entered into a contract to manage prescription drug coverage. [Section 19 also requires a pharmacy benefit manager to provide to such an insurer a certain percentage of the rebates issued by a manufacturer to the pharmacy benefit manager for the sale to an insured person of a prescription drug used to treat diabetes.]

Section 20 of this bill prohibits a pharmacy benefit manager from engaging in certain trade practices.

~~[Section 21 of this bill requires a pharmacy benefit manager to post certain information on the Internet website maintained by the pharmacy benefit manager and report certain information to the Division of Insurance of the Department of Business and Industry. Section 9 of this bill provides that any such information required to be posted or reported is not a trade secret.]~~

Federal law prohibits states from regulating an employee benefit plan established under the Employee Retirement Income Security Act of 1974. (29 U.S.C. § 1144) Section 17 of this bill provides that the requirements that this bill imposes upon pharmacy benefit managers and insurers do not apply to the management or provision of prescription drug benefits included in such a plan. ~~[Sections 23-25 of this bill impose certain requirements relating to the collection of child support from a pharmacy benefit manager who is a natural person. Section 26 of this bill authorizes the Commissioner to impose disciplinary action against a pharmacy benefit manager that violates such requirements. Additionally, a violation of those requirements is punishable as a misdemeanor. (NRS 679A.180)]~~ unless the plan requires compliance with those provisions.

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

Section 1. Chapter 439 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 ~~[, 3 and 4]~~ to 4.9, inclusive, of this act.

Sec. 2. "Manufacturer" has the meaning ascribed to it in NRS 639.009.

Sec. 3. "Pharmacy" means every store or shop licensed by the State Board of Pharmacy where drugs, controlled substances, poisons, medicines or chemicals are stored or possessed, or dispensed or sold at retail, or displayed for sale at retail, or where prescriptions are compounded or dispensed. The term does not include an institutional pharmacy as defined in NRS 639.0085.

Sec. 3.2. "Pharmacy benefit manager" has the meaning ascribed to it in section 14.5 of this act.

Sec. 3.4. "Wholesale acquisition cost" means the manufacturer's list price for a prescription drug to wholesalers or direct purchasers in the United States, not including any discounts, rebates or reductions in price, as reported in wholesale price guides or other publications of drug pricing data.

Sec. 3.6. On or before February 1 of each year, the Department shall compile:

1. A list of prescription drugs that the Department determines to be essential for treating diabetes in this State and the wholesale acquisition cost of each such drug on the list. The list must include, without limitation, all forms of insulin and biguanides marketed for sale in this State.

2. A list of prescription drugs described in subsection 1 that have been subject to an increase in the wholesale acquisition cost of a percentage equal to or greater than:

(a) The percentage increase in the Consumer Price Index, Medical Care Component during the immediately preceding calendar year; or

(b) Twice the percentage increase in the Consumer Price Index, Medical Care Component during the immediately preceding 2 calendar years.

Sec. 3.8. On or before April 1 of each year, the manufacturer of a prescription drug that appears on the most current list compiled by the Department pursuant to subsection 1 of section 3.6 of this act shall prepare and submit to the Department, in the form prescribed by the Department, a report which must include:

1. The costs of producing the drug;

2. The total administrative expenditures relating to the drug, including marketing and advertising costs;

3. The profit that the manufacturer has earned from the drug and the percentage of the manufacturer's total profit for the period during which the manufacturer has marketed the drug for sale that is attributable to the drug;

4. The total amount of financial assistance that the manufacturer has provided through any patient prescription assistance program;

5. The cost associated with coupons provided directly to consumers and for programs to assist consumers in paying copayments, and the cost to the manufacturer attributable to the redemption of those coupons and the use of those programs;

6. The wholesale acquisition cost of the drug;

7. A history of any increases in the wholesale acquisition cost of the drug over the 5 years immediately preceding the date on which the report is submitted, including the amount of each such increase expressed as a percentage of the total wholesale acquisition cost of the drug, the month and year in which each increase became effective and any explanation for the increase;

8. The aggregate amount of all rebates that the manufacturer has provided to pharmacy benefit managers for sales of the drug within this State; and

9. Any additional information prescribed by regulation of the Department for the purpose of analyzing the cost of prescription drugs that appear on the list compiled pursuant to subsection 1 of section 3.6 of this act, trends in those costs and rebates available for such drugs.

~~Sec. 4. {1. On or before February 1 of each year, the Department shall compile a list of all prescription drugs used to treat diabetes that meet the requirements of subsection 2. When determining which drugs to include on the list, the Department shall consider any rebates, discounts or other reductions in the price of the drug.~~

~~2. Each prescription drug included on the list compiled pursuant to subsection 1 must have been subject to an increase in the wholesale acquisition cost of the drug of a percentage equal to or greater than:~~

~~(a) The percentage increase in the Consumer Price Index, Medical Care Component during the immediately preceding calendar year; or~~

~~(b) Twice the percentage increase in the Consumer Price Index, Medical Care Component during the immediately preceding 2 calendar years.~~

~~3.] On or before ~~July~~ April 1 of a year in which a drug is included on the list compiled pursuant to subsection ~~1.1~~ 2 of section 3.6 of this act, the manufacturer of the drug shall submit to the Department a report describing the reasons for the increase in the wholesale acquisition cost of the drug described in that subsection. ~~1.2~~ The report must include, without limitation:~~

~~[(a)] 1. A list of each factor that has contributed to the increase;~~

~~[(b)] 2. The percentage of the total increase that is attributable to each factor;~~

~~[(c)] 3. An explanation of the role of each factor in the increase; and~~

~~[(d)] 4. Any other information prescribed by regulation by the Department.~~

~~[4. On or before September 1 of each year, the Department shall analyze the information submitted pursuant to subsection 3 and compile a report of the reasons for increases in the price of prescription drugs used to treat diabetes and the effect of those price increases on the cost to the residents of this State.~~

~~5. As used in this section, "wholesale acquisition cost" means the manufacturer's list price for a prescription drug to wholesalers or direct purchasers in the United States, not including any discounts, rebates or reductions in price, as reported in wholesale price guides or other publications of drug pricing data.]~~

Sec. 4.2. 1. Except as otherwise provided in subsection 2, on or before April 1 of each year, a pharmacy benefit manager shall submit to the Department a report which includes:

(a) The total amount of all rebates that the pharmacy benefit manager negotiated with manufacturers during the immediately preceding calendar year for prescription drugs included on the list compiled by the Department pursuant to subsection 1 of section 3.6 of this act;

(b) The total amount of all rebates described in paragraph (a) that were retained by the pharmacy benefit manager; and

(c) The total amount of all rebates described in paragraph (a) that were negotiated for purchases of such drugs for use by:

(1) Recipients of Medicare;

(2) Recipients of Medicaid;

(3) Persons covered by third parties that are governmental entities which are not described in subparagraph (1) or (2);

(4) Persons covered by third parties that are not governmental entities; and

(5) Persons covered by a plan described in subsection 2 to the extent required by a contract entered into pursuant to subsection 3.

2. Except as otherwise provided in subsection 3, the requirements of this section do not apply to the coverage of prescription drugs under a plan that

is subject to the Employee Retirement Income Security Act of 1974 or any information relating to such coverage.

3. A plan described in subsection 2 may, by contract, require a pharmacy benefit manager that manages the coverage of prescription drugs under the plan to comply with the requirements of this section.

Sec. 4.3. On or before June 1 of each year, the Department shall analyze the information submitted pursuant to sections 3.8, 4 and 4.2 of this act and compile a report on the price of the prescription drugs that appear on the most current lists compiled by the Department pursuant to section 3.6 of this act, the reasons for any increases in those prices and the effect of those prices on overall spending on prescription drugs in this State. The report may include, without limitation, opportunities for persons and entities in this State to lower the cost of drugs for the treatment of diabetes while maintaining access to such drugs.

Sec. 4.6. 1. A manufacturer of a prescription drug shall provide to the Department a list of each pharmaceutical sales representative who markets prescription drugs on behalf of the manufacturer to providers of health care licensed, certified or registered in this State, pharmacies or employees thereof, operators or employees of medical facilities or persons licensed or certified under the provisions of title 57 of NRS and update the list at least annually.

2. The Department shall provide electronic access to the most recent list provided by each manufacturer pursuant to subsection 1 to each provider of health care licensed, certified or registered in this State, operator of a pharmacy, operator of a medical facility or person licensed or certified under the provisions of title 57 for the purposes of ensuring compliance with the requirements of subsection 3. This subsection must not be construed to impose any duty on a provider of health care, operator of a pharmacy, operator of a medical facility or person licensed or certified under the provisions of title 57 to ensure such compliance.

3. A person who is not included on a current list submitted pursuant to subsection 1 shall not market prescription drugs on behalf of a manufacturer:

(a) To any provider of health care licensed, certified or registered in this State, pharmacy or employee thereof, operator or employee of a medical facility or person licensed or certified under the provisions of title 57 of NRS;
or

(b) For sale to any resident of this State.

4. On or before March 1 of each year, each person who was included on a list of pharmaceutical sales representatives submitted pursuant to subsection 1 at any time during the immediately preceding calendar year shall submit to the Department a report, which must include, for the immediately preceding calendar year:

(a) A list of providers of health care licensed, certified or registered in this State, pharmacies and employees thereof, operators and employees of

medical facilities and persons licensed or certified under the provisions of title 57 of NRS to whom the pharmaceutical sales representative provided:

(1) Any type of compensation with a value that exceeds \$10; or

(2) Total compensation with a value that exceeds \$100 in aggregate;
and

(b) The name and manufacturer of each prescription drug for which the pharmaceutical sales representative provided a free sample to a provider of health care licensed, certified or registered in this State, pharmacy or employee thereof, operator or employee of a medical facility or person licensed or certified under the provisions of title 57 of NRS and the name of each such person to whom a free sample was provided.

5. The Department shall analyze annually the information submitted pursuant to subsection 4 and compile a report on the activities of pharmaceutical sales representatives in this State. Any information contained in such a report that is derived from a list provided pursuant to subsection 1 or a report submitted pursuant to subsection 3 must be reported in aggregate and in a manner that does not reveal the identity of any person or entity. On or before June 1 of each year, the Department shall:

(a) Post the report on the Internet website maintained by the Department;
and

(b) Submit the report to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Legislative Committee on Health Care and, in even-numbered years, the next regular session of the Legislature.

6. As used in this section:

(a) "Medical facility" has the meaning ascribed to it in NRS 629.026.

(b) "Pharmaceutical sales representative" means a person who markets prescription drugs to providers of health care licensed, certified or registered in this State, pharmacies or employees thereof, operators or employees of medical facilities or persons licensed or certified under the provisions of title 57 of NRS.

(c) "Provider of health care" has the meaning ascribed to it in NRS 629.031.

Sec. 4.9. 1. On or before February 1 of each year, a nonprofit organization that advocates on behalf of patients or funds medical research in this State and has received a payment, donation, subsidy or anything else of value from a manufacturer, third party or pharmacy benefit manager or a trade or advocacy group for manufacturers, third parties or pharmacy benefit managers during the immediately preceding calendar year shall:

(a) Compile a report which includes:

(1) For each such contribution, the amount of the contribution and the manufacturer, third party or pharmacy benefit manager or group that provided the payment, donation, subsidy or other contribution; and

(2) The percentage of the total gross income of the organization during the immediately preceding calendar year attributable to payments.

donations, subsidies or other contributions from each manufacturer, third party, pharmacy benefit manager or group; and

(b) Except as otherwise provided in this paragraph, post the report on an Internet website that is maintained by the nonprofit organization and accessible to the public. If the nonprofit organization does not maintain an Internet website that is accessible to the public, the nonprofit organization shall submit the report compiled pursuant to paragraph (a) to the Department.

2. As used in this section, "third party" means:

(a) An insurer, as that term is defined in NRS 679B.540;

(b) A health benefit plan, as that term is defined in NRS 689A.540, for employees which provides coverage for prescription drugs;

(c) A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

(d) Any other insurer or organization that provides health coverage or benefits in accordance with state or federal law.

↪ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 5. NRS 439.900 is hereby amended to read as follows:

439.900 As used in NRS 439.900 to 439.940, inclusive, and sections 2 ~~f, 3 and 4~~ to 4.9, inclusive, of this act, unless the context otherwise requires, ~~["pharmacy" means every store or shop licensed by the State Board of Pharmacy where drugs, controlled substances, poisons, medicines or chemicals are stored or possessed, or dispensed or sold at retail, or displayed for sale at retail, or where prescriptions are compounded or dispensed. The term does not include an institutional pharmacy as defined in NRS 639.0085.]~~ the words and terms defined in sections 2 ~~and 3~~ to 3.4, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 6. NRS 439.915 is hereby amended to read as follows:

439.915 1. Except as otherwise provided in subsection 2 ~~f~~ and subsection 3 of section 4.6 of this act, the Department shall:

(a) Place or cause to be placed on the Internet website maintained by the Department ~~the~~ :

(1) The information provided by each pharmacy pursuant to NRS 439.910; ~~and the report;~~

(2) The information compiled by a nonprofit organization pursuant to section 4.9 of this act if such a report is submitted pursuant to paragraph (b) of subsection 1 of that section;

(3) The lists of prescription drugs compiled by the Department pursuant to section 3.6 of this act;

(4) The wholesale acquisition cost of each prescription drug reported pursuant to section 3.8 of this act; and

(5) The reports compiled by the Department pursuant to ~~section 4~~ sections 4.3 and 4.6 of this act. ~~4.7~~

(b) Ensure that the information ~~[provided by each pharmacy pursuant to NRS 439.910 and]~~ placed on the Internet website maintained by the Department pursuant to paragraph (a) is organized so that each individual pharmacy, manufacturer and nonprofit organization has its own separate entry on that website; and

(c) Ensure that the usual and customary price that each pharmacy charges for each prescription drug that is on the list prepared pursuant to NRS 439.905 and that is stocked by the pharmacy:

(1) Is presented on the Internet website maintained by the Department in a manner which complies with the requirements of NRS 439.920; and

(2) Is updated not less frequently than once each calendar quarter.

↪ Nothing in this subsection prohibits the Department from determining the usual and customary price that a pharmacy charges for a prescription drug by extracting or otherwise obtaining such information from claims reported by pharmacies to the Medicaid program.

2. If a pharmacy is part of a larger company or corporation or a chain of pharmacies or retail stores, the Department may present the pricing information pertaining to such a pharmacy in such a manner that the pricing information is combined with the pricing information relative to other pharmacies that are part of the same company, corporation or chain, to the extent that the pricing information does not differ among those pharmacies.

3. The Department may establish additional or alternative procedures by which a consumer who is unable to access the Internet or is otherwise unable to receive the information described in subsection 1 in the manner in which it is presented by the Department may obtain that information:

(a) In the form of paper records;

(b) Through the use of a telephonic system; or

(c) Using other methods or technologies designed specifically to assist consumers who are hearing impaired or visually impaired.

4. As used in this section, "usual and customary price" means the usual and customary charges that a ~~[provider]~~ pharmacy charges to the general public for a drug, as described in 42 C.F.R. § ~~[447.331.]~~ 447.512.

Sec. 6.5. NRS 439.925 is hereby amended to read as follows:

439.925 The Department and its members, officers and employees are not liable civilly or criminally for any act, omission, error or technical problem that results in:

1. The failure to provide to consumers information regarding a pharmacy, prescription drug or nonprofit organization, including, without limitation, the ~~[prices charged by the pharmacy for the prescription drugs and generic equivalents that are on the list prepared pursuant to NRS 439.905; or]~~ information made available on the Department's Internet website pursuant to NRS 439.915; or

2. The providing to consumers of incorrect information regarding a pharmacy, prescription drug or nonprofit organization, including, without limitation, the ~~prices charged by the pharmacy for the prescription drugs and generic equivalents that are on the list prepared pursuant to NRS 439.905,~~ information made available on the Department's Internet website pursuant to NRS 439.915.

Sec. 7. NRS 439.930 is hereby amended to read as follows:

439.930 The Department shall adopt such regulations as it determines to be necessary or advisable to carry out the provisions of NRS 439.900 to 439.940, inclusive ~~[-]~~, and sections 2 ~~f, 3 and 4~~ to 4.9, inclusive, of this act. Such regulations must provide for, without limitation:

1. Notice to consumers stating that:

(a) Although the Department will strive to ensure that consumers receive accurate information regarding pharmacies, prescription drugs and nonprofit organizations including, without limitation, the ~~prices charged by those pharmacies for the prescription drugs and generic equivalents that are on the list prepared pursuant to NRS 439.905,~~ information made available on the Department's Internet website pursuant to NRS 439.915, the Department is unable to guarantee the accuracy of such information;

(b) If a consumer follows an Internet link from the Internet website maintained by the Department to an Internet website not maintained by ~~a pharmacy,~~ the Department, the Department is unable to guarantee the accuracy of any information made available on ~~(the)~~ that Internet website; ~~[maintained by the pharmacy,]~~ and

(c) The Department advises consumers to contact a pharmacy, manufacturer or nonprofit organization directly to verify the accuracy of any information regarding the pharmacy, a prescription drug manufactured by the manufacturer or the nonprofit organization, as applicable, which is made available to consumers pursuant to NRS 439.900 to 439.940, inclusive ~~[-]~~, and sections 2 ~~f, 3 and 4~~ to 4.9, inclusive, of this act;

2. Procedures adopted to direct consumers who have questions regarding the program described in NRS 439.900 to 439.940, inclusive, and sections 2 ~~f, 3 and 4~~ to 4.9, inclusive, of this act to contact the Office for Consumer Health Assistance of the Department;

3. Provisions in accordance with which the Department will allow an Internet link to the information ~~[provided by each pharmacy pursuant to NRS 439.910 and]~~ made available on the Department's Internet website pursuant to NRS 439.915 to be placed on other Internet websites managed or maintained by other persons and entities, including, without limitation, Internet websites managed or maintained by:

(a) Other governmental entities, including, without limitation, the State Board of Pharmacy and the Office of the Governor; and

(b) Nonprofit organizations and advocacy groups;

4. Procedures pursuant to which consumers, ~~and,~~ pharmacies, manufacturers and nonprofit organizations may report to the Department

that information made available to consumers pursuant to NRS 439.900 to 439.940, inclusive, ~~and sections 2, 3 and 4~~ to 4.9, inclusive, of this act is inaccurate;

5. The form and manner in which pharmacies are to provide to the Department the information described in NRS 439.910; and

6. The form and manner in which manufacturers are to provide to the Department the information described in sections 3.8, 4 and 4.6 of this act;

7. The form and manner in which pharmacy benefit managers are to provide to the Department the information described in section 4.2 of this act;

8. The form and manner in which pharmaceutical sales representatives are to provide to the Department the information described in section 4.6 of this act;

9. The form and manner in which nonprofit organizations are to provide to the Department the information described in section 4.9 of this act, if required; and

10. Standards and criteria pursuant to which the Department may remove from its Internet website information regarding a pharmacy or an Internet link to the Internet website maintained by a pharmacy, or both, if the Department determines that the pharmacy has:

(a) Ceased to be licensed and in good standing pursuant to chapter 639 of NRS; or

(b) Engaged in a pattern of providing to consumers information that is false or would be misleading to reasonably informed persons.

Sec. 7.5. NRS 439.935 is hereby amended to read as follows:

439.935 1. On or before July 1 of each odd-numbered year, the Department shall make a determination of whether sufficient money is available and authorized for expenditure to fund one or more components of the programs and other duties of the Department relating to NRS 439.900 to 439.940, inclusive ~~1, and sections 2 to 4.9, inclusive, of this act.~~

2. The Department shall temporarily suspend any components of the program or duties of the Department for which it determines pursuant to subsection 1 that sufficient money is not available.

3. The Department may apply for and accept any available grants and may accept any bequests, devises, donations or gifts from any public or private source to carry out the provisions of NRS 439.900 to 439.940, inclusive ~~1, and sections 2 to 4.9, inclusive, of this act.~~

Sec. 8. NRS 439.940 is hereby amended to read as follows:

439.940 1. If a pharmacy that is licensed under the provisions of chapter 639 of NRS and is located within the State of Nevada ~~for a manufacturer that does business in this State~~, fails to provide to the Department the information required to be provided pursuant to NRS 439.910 or fails to provide such information on a timely basis, and the failure was not caused by excusable neglect, technical problems or other extenuating circumstances, the Department may impose against the

pharmacy ~~for manufacturer~~ an administrative penalty of not more than \$500 for each day of such failure.

2. If a manufacturer fails to provide to the Department the information required by section 3.8, 4 or 4.6 of this act, a pharmacy benefit manager fails to provide to the Department the information required by section 4.2 of this act, a nonprofit organization fails to post or provide to the Department, as applicable, the information required by section 4.9 of this act or a manufacturer, pharmacy benefit manager or nonprofit organization fails to post or provide, as applicable, such information on a timely basis, and the failure was not caused by excusable neglect, technical problems or other extenuating circumstances, the Department may impose against the manufacturer, pharmacy benefit manager or nonprofit organization, as applicable, an administrative penalty of not more than \$5,000 for each day of such failure.

3. If a pharmaceutical sales representative fails to comply with the requirements of section 4.6 of this act, the Department may impose against the pharmaceutical sales representative an administrative penalty of not more than \$500 for each day of such failure.

4. Any money collected as administrative penalties pursuant to this section must be accounted for separately and used by the Department to establish and carry out programs to provide education concerning diabetes and prevent diabetes.

Sec. 8.6. Chapter 394 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The parent or legal guardian of a pupil who has asthma, anaphylaxis or diabetes may submit a written request to the principal or, if applicable, the school nurse of the private school in which the pupil is enrolled to allow the pupil to self-administer medication for the treatment of the pupil's asthma, anaphylaxis or diabetes while the pupil is on the grounds of the private school, participating in an activity sponsored by the private school or on a school bus.

2. A private school shall establish protocols for containing blood-borne pathogens and the handling and disposal of needles, medical devices and other medical waste and provide a copy of these protocols and procedures to the parent or guardian of a pupil who requests permission for the pupil to self-administer medication pursuant to subsection 1.

3. A written request made pursuant to subsection 1 must include:

(a) A signed statement of a physician indicating that the pupil has asthma, anaphylaxis or diabetes and is capable of self-administration of the medication while the pupil is on the grounds of the private school, participating in an activity sponsored by the private school or on a school bus;

(b) A written treatment plan prepared by the physician pursuant to which the pupil will manage his or her asthma, anaphylaxis or diabetes if the pupil experiences an asthmatic attack, anaphylactic shock or diabetic episode

while on the grounds of the private school, participating in an activity sponsored by the private school or on a school bus; and

(c) A signed statement of the parent or legal guardian:

(1) Indicating that the parent or legal guardian grants permission for the pupil to self-administer the medication while the pupil is on the grounds of the private school, participating in an activity sponsored by the private school or on a school bus;

(2) Acknowledging that the parent or legal guardian is aware of and understands the provisions of subsections 4 and 5;

(3) Acknowledging the receipt of the protocols provided pursuant to subsection 2;

(4) Acknowledging that the protocols established pursuant to subsection 2 have been explained to the pupil who will self-administer the medication and that he or she has agreed to comply with the protocols; and

(5) Acknowledging that authorization to self-administer medication pursuant to this section may be revoked if the pupil fails to comply with the protocols established pursuant to subsection 2.

4. The provisions of this section do not create a duty for the private school in which the pupil is enrolled, or an employee or agent thereof, that is in addition to those duties otherwise required in the course of service or employment.

5. If a pupil is granted authorization pursuant to this section to self-administer medication, the governing body of the private school in which the pupil is enrolled, the private school and any employee or agent thereof, are immune from liability for the injury to or death of:

(a) The pupil as a result of self-administration of a medication pursuant to this section or the failure of the pupil to self-administer such a medication; and

(b) Any other person as a result of exposure to or injury caused by needles, medical devices or other medical waste from the self-administration of medication by a pupil pursuant to this section.

6. Upon receipt of a request that complies with subsection 3, the principal or, if applicable, the school nurse of the private school in which the pupil is enrolled shall provide written authorization for the pupil to carry and self-administer medication to treat his or her asthma, anaphylaxis or diabetes while the pupil is on the grounds of the private school, participating in an activity sponsored by the private school or on a school bus. The written authorization must be filed with the principal or, if applicable, the school nurse of the private school in which the pupil is enrolled and must include:

(a) The name and purpose of the medication which the pupil is authorized to self-administer;

(b) The prescribed dosage and the duration of the prescription;

(c) The times or circumstances, or both, during which the medication is required or recommended for self-administration;

(d) The side effects that may occur from an administration of the medication;

(e) The name and telephone number of the pupil's physician and the name and telephone number of the person to contact in the case of a medical emergency concerning the pupil; and

(f) The procedures for the handling and disposal of needles, medical devices and other medical waste.

7. The written authorization provided pursuant to subsection 6 is valid for 1 school year. If a parent or legal guardian submits a written request that complies with subsection 3, the principal or, if applicable, the school nurse of the private school in which the pupil is enrolled shall renew and, if necessary, revise the written authorization.

8. If a parent or legal guardian of a pupil who is authorized pursuant to this section to carry medication on his or her person provides to the principal or, if applicable, the school nurse of the private school in which the pupil is enrolled doses of the medication in addition to the dosage that the pupil carries on his or her person, the principal or, if applicable, the school nurse shall ensure that the additional medication is:

(a) Stored on the premises of the private school in a location that is secure; and

(b) Readily available if the pupil experiences an asthmatic attack, anaphylactic shock or diabetic episode during school hours.

9. An employee of a private school who willfully violates any provision of this section is guilty of a misdemeanor.

10. As used in this section:

(a) "Medication" has the meaning ascribed to it in NRS 392.425.

(b) "Physician" has the meaning ascribed to it in NRS 392.425.

(c) "Self-administer" has the meaning ascribed to it in NRS 392.425.

Sec. 9. NRS 600A.030 is hereby amended to read as follows:

600A.030 As used in this chapter, unless the context otherwise requires:

1. "Improper means" includes, without limitation:

(a) Theft;

(b) Bribery;

(c) Misrepresentation;

(d) Willful breach or willful inducement of a breach of a duty to maintain secrecy;

(e) Willful breach or willful inducement of a breach of a duty imposed by common law, statute, contract, license, protective order or other court or administrative order; and

(f) Espionage through electronic or other means.

2. "Misappropriation" means:

(a) Acquisition of the trade secret of another by a person by improper means;

(b) Acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(c) Disclosure or use of a trade secret of another without express or implied consent by a person who:

- (1) Used improper means to acquire knowledge of the trade secret;
- (2) At the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was:
 - (I) Derived from or through a person who had used improper means to acquire it;
 - (II) Acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or
 - (III) Derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or
- (3) Before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

3. "Owner" means the person who holds legal or equitable title to a trade secret.

4. "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

5. "Trade secret" ~~means~~ :

(a) Means information, including, without limitation, a formula, pattern, compilation, program, device, method, technique, product, system, process, design, prototype, procedure, computer programming instruction or code that:

~~[(a)]~~ (1) Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by the public or any other persons who can obtain commercial or economic value from its disclosure or use; and

~~[(b)]~~ (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(b) Does not include any information that a manufacturer is required to report pursuant to section 3.8 or 4 of this act, information that a pharmaceutical sales representative is required to report pursuant to section 4.6 of this act or information that a pharmacy benefit manager is required to ~~post or~~ report pursuant to section ~~4.2~~ 4.2 of this act, to the extent that such information is required to be disclosed by those sections.

Sec. 10. Chapter 683A of NRS is hereby amended by adding thereto the provisions set forth as sections 11 to 21, inclusive, of this act.

Sec. 11. ~~["Pharmacy benefit manager" means an entity that contracts with or is employed by a third party, as defined in section 16 of this act, and manages the pharmacy benefits plan, as defined in section 15 of this act, provided by the third party.] (Deleted by amendment.)~~

Sec. 12. As used in sections 12 to 21, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 13 to 16, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 13. "Covered person" means a person who is covered by a pharmacy benefits plan.

Sec. 14. "Pharmacy" has the meaning ascribed to it in NRS 639.012.

Sec. 14.5. "Pharmacy benefit manager" means an entity that contracts with or is employed by a third party and manages the pharmacy benefits plan provided by the third party.

Sec. 15. "Pharmacy benefits plan" means coverage of prescription drugs provided by a third party.

Sec. 16. "Third party" means:

1. An insurer, as that term is defined in NRS 679B.540;
2. A health benefit plan, as that term is defined in NRS 689A.540, for employees which provides a pharmacy benefits plan;
3. A participating public agency, as that term is defined in NRS 287.04052, and any other local governmental agency of the State of Nevada which provides a system of health insurance for the benefit of its officers and employees, and the dependents of officers and employees, pursuant to chapter 287 of NRS; or

4. Any other insurer or organization that provides health coverage or benefits or coverage of prescription drugs as part of workers' compensation insurance in accordance with state or federal law.

➤ The term does not include an insurer that provides coverage under a policy of casualty or property insurance.

Sec. 17. ~~[The]~~ 1. Except as otherwise provided in subsection 2, the requirements of sections 12 to 21, inclusive, of this act and any regulations adopted by the Commissioner pursuant thereto do not apply to the coverage of prescription drugs under a plan that is subject to the Employee Retirement Income Security Act of 1974 or any information relating to such coverage.

2. A plan described in subsection 1 may, by contract, require a pharmacy benefit manager that manages the coverage of prescription drugs under the plan to comply with the requirements of sections 12 to 21, inclusive, of this act and any regulations adopted by the Commissioner pursuant thereto.

Sec. 18. ~~[1. A pharmacy benefit manager shall not operate in this State unless the pharmacy benefit manager has obtained a license from the Commissioner.~~

~~2. A person who wishes to obtain a license as a pharmacy benefit manager must:~~

~~(a) Submit an application to the Commissioner in the form prescribed by the Commissioner; and~~

~~(b) Pay the licensure fee prescribed by regulation by the Commissioner.~~

~~3. The Commissioner may adopt such regulations as he or she deems necessary and appropriate to establish the qualifications to receive a license as a pharmacy benefit manager and ensure compliance with the requirements of sections 12 to 21, inclusive, of this act.] (Deleted by amendment.)~~

Sec. 19. ~~{1.}~~ A pharmacy benefit manager has a fiduciary duty to a third party with which the pharmacy benefit manager has entered into a contract to manage the pharmacy benefits plan of the third party and shall notify the third party in writing of any activity, policy or practice of the pharmacy benefit manager that presents a conflict of interest that interferes with the ability of the pharmacy benefit manager to discharge that fiduciary duty.

~~{2. A pharmacy benefit manager shall reimburse to a third party with which it has entered into a contract described in subsection 1 at least 80 percent of the amount of any rebate obtained from a manufacturer for the sale to a covered person of a prescription drug used to treat diabetes.}~~

Sec. 20. 1. A pharmacy benefit manager shall not:

(a) Prohibit a pharmacist or pharmacy from providing information to a covered person concerning the amount of any copayment or coinsurance for a prescription drug or informing a covered person concerning the clinical efficacy of a less expensive alternative drug;

(b) Penalize a pharmacist or pharmacy for providing the information described in paragraph (a) or selling a less expensive alternative drug to a covered person;

(c) Prohibit a pharmacy from offering or providing delivery services directly to a covered person as an ancillary service of the pharmacy; or

(d) If the pharmacy benefit manager manages a pharmacy benefits plan that provides coverage through a network plan, charge a copayment or coinsurance for a prescription drug in an amount that is greater than the total amount paid to a pharmacy that is in the network of providers under contract with the third party.

2. As used in this section, "network plan" means a health benefit plan offered by a health carrier under which the financing and delivery of medical care is provided, in whole or in part, through a defined set of providers under contract with the carrier. The term does not include an arrangement for the financing of premiums.

Sec. 21. ~~{1. A pharmacy benefit manager shall post on an Internet website that is maintained by the pharmacy benefit manager and accessible to the public the rate at which the pharmacy benefit manager reimburses each pharmacy for each prescription drug used to treat diabetes that is covered by a prescription drug plan managed by the pharmacy benefit manager.}~~

~~2. On or before February 1 of each year, a pharmacy benefit manager shall submit to the Division a report which includes:~~

~~(a) The total amount of all rebates that the pharmacy benefit manager negotiated with manufacturers, as defined in NRS 639.009, during the immediately preceding calendar year for prescription drugs used to treat diabetes;~~

~~(b) The total amount of all rebates described in paragraph (a) that were retained by the pharmacy benefit manager; and~~

~~—(c) The total amount of all rebates described in paragraph (a) that were negotiated for purchases of such drugs for use by:~~

~~—(1) Recipients of Medicare;~~

~~—(2) Recipients of Medicaid;~~

~~—(3) Persons covered by third parties that are governmental entities which are not described in subparagraph (1) or (2); and~~

~~—(4) Persons covered by third parties that are not governmental entities.~~

~~3. The Division shall post the reports submitted pursuant to subsection 2 on an Internet website maintained by the Division.] (Deleted by amendment.)~~

Sec. 22. ~~[NRS 683A.020 is hereby amended to read as follows:~~

~~683A.020 As used in this Code, unless the context otherwise requires, the words and terms defined in NRS 683A.025 to 683A.079, inclusive, and section 11 of this act have the meanings ascribed to them in those sections.] (Deleted by amendment.)~~

Sec. 23. ~~[NRS 683A.383 is hereby amended to read as follows:~~

~~683A.383 1. A natural person who applies for the issuance or renewal of a certificate of registration as an administrator or a license as a producer of insurance, [or] managing general agent or pharmacy benefit manager shall submit to the Commissioner 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 Commissioner 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 certificate of registration or license; or~~

~~—(b) A separate form prescribed by the Commissioner.~~

~~3. A certificate of registration as an administrator or a license as a producer of insurance, [or] managing general agent or pharmacy benefit manager may not be issued or renewed by the Commissioner if the applicant is a natural person who:~~

~~—(a) Fails to submit the statement required pursuant to subsection 1; or~~

~~—(b) Indicates on the statement submitted pursuant to subsection 1 that he or she 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 Commissioner 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.] (Deleted by amendment.)~~

Sec. 24. ~~[NRS 683A.385 is hereby amended to read as follows:~~

~~683A.385 1. If the Commissioner 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 certificate of registration as an administrator or a license as a producer of insurance, [or] managing general agent [,] or pharmacy benefit manager, the Commissioner shall suspend the certificate of registration or license issued to that person at the end of the 30th day after the date on which the court order was issued unless the Commissioner receives a letter issued to the holder of the certificate of registration or license by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the certificate of registration or license has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.~~

~~2. The Commissioner shall reinstate a certificate of registration as an administrator or a license as a producer of insurance, [or] managing general agent or pharmacy benefit manager that has been suspended by a district court pursuant to NRS 425.540 if the Commissioner receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose certificate of registration or license was suspended stating that the person whose certificate of registration or license was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.] (Deleted by amendment.)~~

Sec. 25. ~~[NRS 683A.387 is hereby amended to read as follows:~~

~~683A.387 The application of a natural person who applies for the issuance of a certificate of registration as an administrator or a license as a producer of insurance, [or] managing general agent or pharmacy benefit manager must include the social security number of the applicant.] (Deleted by amendment.)~~

Sec. 26. ~~[NRS 683A.451 is hereby amended to read as follows:~~

~~683A.451 The Commissioner may refuse to issue a license or certificate pursuant to this chapter or may place any person to whom a license or certificate is issued pursuant to this chapter on probation, suspend the person for not more than 12 months, or revoke or refuse to renew his or her license or certificate, or may impose an administrative fine or take any combination of the foregoing actions, for one or more of the following causes:~~

~~1. Providing incorrect, misleading, incomplete or partially untrue information in his or her application for a license.~~

~~2. Violating a law regulating insurance, or violating a regulation, order or subpoena of the Commissioner or an equivalent officer of another state.~~

~~3. Obtaining or attempting to obtain a license through misrepresentation or fraud.~~

~~4. Misappropriating, converting or improperly withholding money or property received in the course of the business of insurance.~~

- ~~5. Intentionally misrepresenting the terms of an actual or proposed contract of or application for insurance.~~
- ~~6. Conviction of a felony or a crime which involves theft, fraud, dishonesty or moral turpitude.~~
- ~~7. Admitting or being found to have committed an unfair trade practice or fraud.~~
- ~~8. Using fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business, or otherwise, in this State or elsewhere.~~
- ~~9. Denial, suspension or revocation of a license as a producer of insurance [,] or pharmacy benefit manager, or [its equivalent,] their equivalents, in any other state, territory or province.~~
- ~~10. Forging another's name to an application for insurance or any other document relating to the transaction of insurance.~~
- ~~11. Improperly using notes or other reference material to complete an examination for a license related to insurance.~~
- ~~12. Knowingly accepting business related to insurance from an unlicensed person.~~
- ~~13. Failing to comply with an administrative or judicial order imposing an obligation of child support.~~
- ~~14. Failing to pay a tax as required by law.~~
- ~~15. Failing to adequately discharge the fiduciary duty imposed upon a pharmacy benefit manager by section 19 of this act.] (Deleted by amendment.)~~

Sec. 26.3. NRS 689A.405 is hereby amended to read as follows:

689A.405 1. An insurer that offers or issues a policy of health insurance which provides coverage for prescription drugs shall include with any summary, certificate or evidence of that coverage provided to an insured, notice of whether a formulary is used and, if so, of the opportunity to secure information regarding the formulary from the insurer pursuant to subsection 2. The notice required by this subsection must:

(a) Be in a language that is easily understood and in a format that is easy to understand;

(b) Include an explanation of what a formulary is; and

(c) If a formulary is used, include:

(1) An explanation of:

(I) How often the contents of the formulary are reviewed; and

(II) The procedure and criteria for determining which prescription drugs are included in and excluded from the formulary; and

(2) The telephone number of the insurer for making a request for information regarding the formulary pursuant to subsection 2.

2. If an insurer offers or issues a policy of health insurance which provides coverage for prescription drugs and a formulary is used, the insurer shall:

(a) Provide to any insured or participating provider of health care, upon request:

(1) Information regarding whether a specific drug is included in the formulary.

(2) Access to the most current list of prescription drugs in the formulary, organized by major therapeutic category, with an indication of whether any listed drugs are preferred over other listed drugs. If more than one formulary is maintained, the insurer shall notify the requester that a choice of formulary lists is available.

(b) Notify each person who requests information regarding the formulary, that the inclusion of a drug in the formulary does not guarantee that a provider of health care will prescribe that drug for a particular medical condition.

(c) During each period for open enrollment, publish on an Internet website that is operated by the insurer and accessible to the public or include in any enrollment materials distributed by the insurer a notice of all prescription drugs that:

(1) Are included on the most recent list of drugs that are essential for treating diabetes in this State compiled by the Department of Health and Human Services pursuant to subsection 1 of section 3.6 of this act; and

(2) Have been removed or will be removed from the formulary during the current plan year or the next plan year.

(d) Update the notice required by paragraph (c) throughout the period for open enrollment.

Sec. 26.6. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 26.9. 1. Notwithstanding any other provision of this act to the contrary:

(a) On or before November 1, 2017, the Department of Health and Human Services shall place on the Internet website maintained by the Department the information prescribed by section 3.6 of this act.

(b) On or before July 1, 2018:

(1) The manufacturer of a drug included on the list:

(I) Described in subsection 1 of section 3.6 of this act shall submit to the Department a report which includes the information prescribed by section 3.8 of this act.

(II) Described in subsection 2 of section 3.6 of this act shall submit to the Department a report which includes the information prescribed by section 4 of this act.

(2) A pharmacy benefit manager shall submit to the Department a report which includes the information prescribed by section 4.2 of this act.

(c) On or before September 1, 2018, the Department shall analyze the reports submitted pursuant to paragraph (b) and compile and post on the

Internet website maintained by the Department the initial report required by section 4.3 of this act.

2. As used in this section:

(a) "Manufacturer" has the meaning ascribed to it in section 2 of this act.

(b) "Pharmacy benefit manager" has the meaning ascribed to it in section 14.5 of this act.

Sec. 27. 1. The provisions of sections 19 and 20 of this act do not apply to any contract existing on January 1, 2018, for the pharmacy benefit manager to manage a pharmacy benefits plan for a third party until the contract is renewed.

2. As used in this section:

(a) "Pharmacy benefit manager" has the meaning ascribed to it in section ~~14.1~~ 14.5 of this act.

(b) "Pharmacy benefits plan" has the meaning ascribed to it in section 15 of this act.

(c) "Third party" has the meaning ascribed to it in section 16 of this act.

Sec. 28. 1. This section and section 26.9 of this act become effective upon passage and approval.

2. Section 8.6 of this act becomes effective on July 1, 2017.

3. Sections 1 to 6.5, inclusive, 7.5, 8, 9 and 26.6 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 October 1, 2017, for all other purposes.

4. Sections 10 to 26.3, inclusive, and 27 of this act ~~(becomes)~~ 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.

5. Section 7 of this act becomes 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 May 1, 2018, for all other purposes.

Senator Cancela moved the adoption of the amendment.

Remarks by Senator Cancela.

This amendment is a picture of compromise and is the work of many people who have taken the time to understand the problem we deal with as a State related to the high prices of drugs. This amendment maintains the integrity of Senate Bill No. 539 and incorporates almost all of Senate Bill No. 265. It takes into account the word of Governor Sandoval who made it a point to take a deep and deliberate dive into Senate Bill No. 265, and as a result, the amendment removes the 90-day notification period from Senate Bill No. 265 and keeps the rest of the bill intact. It also removes the licensing of pharmaceutical benefit managers from Senate Bill No. 539. This addresses the fiscal note on the bill. This is landmark legislation that puts Nevada at the forefront in assisting patients who deal with price gouging every day.

Amendment adopted.

Bill read third time.

Senator Roberson moved that the Senate recess subject to the call of the Chair.

Motion carried.

Senate in recess at 12:01 a.m.

SENATE IN SESSION

At 12:07 a.m.

President Hutchison presiding.

Quorum present.

Remarks by Senators Roberson, Cancela and Hardy.

SENATOR ROBERSON:

Senate Bill No. 539 requires the Department of Health and Human Services to annually compile and post on its Internet website a list of drugs essential for treating diabetes, along with certain pricing and related information. Drug manufacturers included on the list are also required to submit an annual report to the Department. Pharmacy benefit managers (PBMs) are required to report to the Department information concerning rebates negotiated with the manufacturers of prescription drugs included on the list. In addition, Senate Bill No. 539 clarifies that a PBM has a fiduciary duty to an insurer with which it contracts to manage prescription-drug coverage and prohibits PBMs from engaging in certain practices.

The measure requires an insurer that issues a plan of individual health insurance and uses a formulary to provide a notice of any essential diabetes drugs that have been or will be removed from the formulary during the current or next plan year. The bill requires drug manufacturers to provide to the Department a list of pharmaceutical sales representatives and requires each representative on the list to submit an annual report. The Department is authorized to adopt any regulations concerning the reporting of information for inclusion on the Department's Internet website.

A nonprofit organization that advocates for patients or funds medical research is required to provide information concerning payments, donations and anything else of value received from a manufacturer. That information must either be posted on its Internet website or provided to the Department for posting on its Internet website.

Finally, the measure requires private schools to allow a pupil who has asthma, anaphylaxis or diabetes to carry and self-administer medication to treat his or her disorder while in school, participating in school activities or on a school bus.

Pharmacy benefit managers will now be required to disclose how much they get back from drug manufactures in rebates and what do with those rebates. Do they put them in their pocket, or do they pass them on to the insurance carrier? The bill also eliminates the ability of a PBM or an insurance company to place a gag order or gag rule on a retail pharmacist. They cannot tell a pharmacist to not inform a customer if there is a lower priced drug alternative or if paying cash will allow them to get the drug for less than the cost under their insurance co-pay. This is an important solution to a real problem that happens all around this Country.

I would like to thank my colleague from Senate District No. 10 for her work on this quintessential, bipartisan compromise bill. We are focused all along the supply chain from the pharmaceutical manufacturer to the retail pharmacist in making a serious effort to address the skyrocketing costs of diabetes drugs for patients in Nevada.

SENATOR CANCELA:

We have heard this Session about the impact high drug costs have on families, especially families where there is a diabetic patient in the household. This legislation aims to put patients first. We have the opportunity to put forward bipartisan, strong legislation that allows for patients to get answers to the questions about high drug costs. We should not pass up that opportunity and that opportunity may not come around again soon. This can set the standard for how the rest of the Country can address these questions.

SENATOR HARDY:

I am still struggling with how this bill will make costs less for the patient. I appreciate looping together the manufacture, PBMs, retail and the insurance pieces. The rest of the Country will look at this; it is a great experience, and it will help us in understanding. I do not understand the process myself, so I cannot in good conscience vote for it.

Roll call on Senate Bill No. 539:

YEAS—19.

NAYS—Hardy, Kieckhefer—2.

Senate Bill No. 539 having received a constitutional majority,
Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bills Nos. 66, 126, 150, 189, 244, 414, 448, 481, 533, 534; Assembly Bills Nos. 36, 76, 123, 224, 268, 286, 288, 322, 366, 374, 376, 377, 380, 428, 440, 470, 474.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Denis, the privilege of the floor of the Senate Chamber for this day was extended to Dustin Denis.

Senator Ford moved that the Senate adjourn until Monday, June 5, 2017, at 11:00 a.m.

Motion carried.

Senate adjourned at 12:17 a.m.

Approved:

MARK A. HUTCHISON

President of the Senate

Attest: CLAIRE J. CLIFT

Secretary of the Senate