ASSEMBLY BILL No. 258–ASSEMBLYWOMEN BACKUS; AND KASAMA

MARCH 7, 2023

Referred to Committee on Government Affairs

SUMMARY—Enacts certain provisions governing the confidentiality of certain personal information of a donor, member or volunteer of a nonprofit organization. (BDR 19-605)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to governmental administration; requiring, with certain exceptions, a governmental entity to keep confidential certain personal information regarding donors, members or volunteers of a nonprofit organization; prohibiting, with certain exceptions, a governmental entity from requesting or releasing certain personal information regarding donors, members or volunteers of a nonprofit organization; making an appropriation to the Interim Finance Committee for allocation to the Office of the Attorney General to fund certain positions; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes certain governmental agencies to collect certain personal information. (Chapter 239B of NRS) Existing law also prohibits, with certain exceptions, a governmental agency from requiring a person to include personal information on any document submitted to the governmental agency after a certain date. (NRS 239B.030) **Section 2** of this bill requires, with certain exceptions, a governmental entity to keep confidential any personal information in the records of the governmental entity that identifies a person as a donor, member or volunteer of a nonprofit organization. **Section 2** also prohibits, with certain exceptions, a governmental entity from: (1) requiring that any person or nonprofit organization provide the governmental entity with personal information that





identifies a donor, member or volunteer of a nonprofit organization; (2) releasing, publicizing or otherwise publicly disclosing personal information that identifies a donor, member or volunteer of a nonprofit organization; or (3) requesting or requiring a current or prospective contractor or grantee to provide a list of nonprofit organizations to which the contractor or grantee has provided support. **Section 2** provides that the personal information that identifies a donor, member or volunteer of a nonprofit organization includes any list, record, register, roster or other data of any kind that includes a donation, name, address or telephone number that directly or indirectly identifies a person as a donor of financial or nonfinancial support, member or volunteer of any nonprofit organization.

Section 2 provides that a person who alleges that a governmental entity or an officer or employee of a governmental entity has violated these provisions may bring a civil action to obtain certain relief, including damages in an amount of not less than: (1) \$2,500 for a violation; and (2) \$7,500 for an intentional violation.

Section 1 of this bill makes a conforming change to provide that such personal information is not a public record.

Section 3 of this bill makes a conforming change to prohibit the Secretary of State, in carrying out certain requirements of existing law, from collecting or disclosing any information that directly identifies a person as a donor of financial support to a nonprofit organization.

Section 4 of this bill makes a conforming change to provide that any information collected by the Attorney General in an audit, examination, review or investigation of a corporation for public benefit or a corporation holding assets in a charitable trust may only be used in connection with the audit, examination, review or investigation and is otherwise subject to the requirements of **section 2**.

Section 5 of this bill makes an appropriation to the Interim Finance Committee for allocation to the Office of the Attorney General to fund certain positions.

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

Section 1. NRS 239.010 is hereby amended to read as follows: 1 239.010 1. Except as otherwise provided in this section and 2 3 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 4 5 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, 6 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 7 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 8 118B.026, 119.260, 119.265, 119.267, 9 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 10 11 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 12 13 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015, 14 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 15 205.4651, 209.392. 200.3772, 200.5095, 200.604, 202.3662, 16 209.419, 209.429, 209.3923. 209.3925. 209.521. 211A.140. 17 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 18



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- 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



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information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.

- 4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:
 - (a) The public record:

- (1) Was not created or prepared in an electronic format; and
- (2) Is not available in an electronic format; or
- (b) Providing the public record in an electronic format or by means of an electronic medium would:
 - (1) Give access to proprietary software; or
- (2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.
- 5. 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 the medium that is requested 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. 2.** Chapter 239B of NRS is hereby amended by adding thereto a new section to read as follows:
- 1. Except as otherwise provided in subsection 3, a governmental entity shall maintain in a confidential manner any personal information that identifies a person as a donor, member or volunteer of a nonprofit organization.
- 2. Except as otherwise provided in subsection 3, a governmental entity shall not:
- (a) Require any person or nonprofit organization to provide the governmental entity with personal information that identifies a person as a donor, member or volunteer of a nonprofit organization or otherwise compel the release of such personal information;
- (b) Release, publicize or otherwise publicly disclose personal information in possession of the governmental entity that





identifies a person as a donor, member or volunteer of a nonprofit organization: or

- (c) Request or require a current or prospective contractor or grantee working with the governmental entity to provide a list of nonprofit organizations to which the contractor or grantee has provided financial or nonfinancial support.
- The provisions of subsections 1 and 2 do not apply to personal information that identifies a person as a donor, member or volunteer of a nonprofit organization that is requested, obtained, released or disclosed as a result of the following:

(a) Any personal information required to be disclosed for the

purpose of complying with any provision of federal law;

- (b) Any information, report or disclosure required to be filed with the Secretary of State pursuant to title 7 of NRS provided that, except as otherwise provided in this subsection, any information that directly identifies a person as a donor of financial support to a nonprofit organization must not be collected or disclosed:
- (c) Any report or disclosure required to be filed pursuant to chapter 294A of NRS;
- (d) Any confidential information shared pursuant to NRS 232.357;
 - (e) Any warrant issued by a court of competent jurisdiction;
- (f) Any request for information in connection with discovery proceedings if:
- (1) The relevant and probative value of the information requested outweighs its prejudicial effect; and
- (2) The requester obtains a protective order from the court barring the disclosure of such information to any person not named in the proceedings;

(g) Any personal information voluntarily released by a person to the governmental entity or any personal information voluntarily

released by a nonprofit organization to the public;

- (h) Any personal information resulting from a donation to a nonprofit organization that is affiliated with a governmental entity that was disclosed to the governmental entity pursuant to state law:
- (i) Any personal information admitted as evidence before a court of competent jurisdiction, if the court finds there is good cause for the public release of such information;
- (j) Any requests for screenings submitted by a nonprofit organization pursuant to NRS 179A.325;
- (k) Any contract, resolution or agreement entered into by a nonprofit organization with a governmental entity, including for purposes of obtaining a governmental benefit or grant, whereby



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the governmental entity is authorized to or any statute which expressly authorizes a governmental entity to inspect the records of the nonprofit organization, including, without limitation, a contract, resolution or agreement entered into pursuant to NRS 427A.085, 433.354, 433B.220 or 439.155;

- (l) Any report required to be filed by a nonprofit organization and posted by the Department of Health and Human Services on the Internet website maintained by the Department pursuant to NRS 439B.665 and 439B.670;
- (m) Any information required to be filed by a nonprofit organization of surplus line brokers with the Commissioner of Insurance pursuant to NRS 685A.075;
- (n) Any information submitted to a governmental entity by a national securities association that is registered pursuant to 15 U.S.C. § 780-3 or any regulation adopted pursuant thereto, including, without limitation, any information submitted to the Secretary of State pursuant to chapters 90 and 91 of NRS and any regulations adopted pursuant thereto for the purposes of licensing, registration, examination, investigation or enforcement;
- (o) Any requirement to disclose the relationship between a public officer or employee and a nonprofit organization pursuant to NRS 281A.420, as a response to a lawful request or subpoena in an investigation or as part of or in response to a request for an advisory opinion submitted pursuant to NRS 281A.670 to 281A.690, inclusive, or an ethics complaint filed or initiated pursuant to NRS 281A.700 to 281A.790, inclusive;
- (p) Any information submitted to or requested by the Nevada Gaming Control Board pursuant to NRS 462.160 for the purposes of the licensing or registration of a charitable lottery or charitable game, provided that any information collected is confidential as provided in NRS 463.120;
 - (q) A request for information:
- (1) Required by the Attorney General for an audit, examination, review or investigation conducted pursuant to NRS 82.536, provided that:
- (I) Such information shall only be used in connection with the specific audit, examination, review or investigation to which the request relates and for any related proceedings; and
- (II) Such information shall otherwise remain subject to the provisions of this section, unless expressly required by law to be publicly disclosed;
- (2) Relating to the authority to exercise the power of the Secretary of State or the power of the Attorney General in the areas of consumer protection pursuant to NRS 228.380, including, without limitation, the provisions of NRS 90.615, 597.262,





597.8198, 598C.180, 599B.015, and 599B.213 to 599B.245, inclusive, and chapters 598, 598A and 711 of NRS, provided that such information is otherwise subject to the requirements of this section, unless expressly required by law to be publicly disclosed;

- (3) Relating to a criminal investigation or prosecution by the Attorney General, where there is credible evidence that a crime has been or is being committed or for information relating to any authorized civil investigation or inquiry undertaken by the Attorney General, provided that any personal information obtained in such an investigation or prosecution shall remain confidential unless its disclosure is expressly required by law to be publicly disclosed or is necessary to publicize in a court pleading or submission of evidence to a court; or
- (4) Connected with a constituent complaint submitted to the Attorney General; and
- (r) The names of members of a labor organization and the amount of dues collected by a governmental entity that are provided to the labor organization for the purposes of collecting and reporting the remittance of dues to the labor organization from its members, in accordance with a valid authorization to withhold dues.
- 4. Any person who alleges that a governmental entity or an officer or employee of a governmental entity has violated the provisions of subsection 1 or 2 may bring a civil action in a court of competent jurisdiction. If the person prevails, the person is entitled to receive any or all of the following relief:
 - (a) Injunctive relief as the court deems appropriate;
- (b) Costs incurred in bringing the action, including, without limitation, reasonable attorney's fees;
- (c) Except as otherwise provided in paragraph (d), damages of not less than \$2,500; and
- (d) If the court determines that a governmental entity or officer or employee of a governmental entity intentionally violated the provisions of this section, damages of not less than \$7,500.
- 5. For the purposes of this section, personal information that identifies a person as a donor, member or volunteer of a nonprofit organization:
- (a) Includes, without limitation, any list, record, register, roster or other data of any kind that includes a donation, name, address or telephone number that directly or indirectly identifies a person as a donor of financial or nonfinancial support, member or volunteer of any nonprofit organization; and
- (b) Does not include information that identifies a person as a staff member, employee or contractor of a nonprofit organization.
 - 6. As used in this section:





- (a) "Governmental entity" has the meaning ascribed to it in NRS 239.005.
- (b) "Labor organization" has the meaning ascribed to it in NRS 288.048.
 - (c) "Nonprofit organization" means:

- (1) An organization which qualifies as tax exempt pursuant to section 501(c) of the Internal Revenue Code; and
- (2) Any entity that has submitted an application with the Internal Revenue Service for recognition as a tax exempt entity pursuant to section 501(c) of the Internal Revenue Code.
- **Sec. 3.** Chapter 75 of NRS is hereby amended by adding thereto a new section to read as follows:

Pursuant to section 2 of this act, in carrying out the requirements of this title, the Secretary of State shall not collect or disclose any information that directly identifies a person as a donor of financial support to a nonprofit organization.

- **Sec. 4.** NRS 82.536 is hereby amended to read as follows:
- 82.536 1. A corporation for public benefit and a corporation holding assets in charitable trust is subject at all times to examination by the Attorney General, on behalf of the State, to ascertain the condition of its affairs and to what extent, if at all, it fails to comply with trusts it has assumed or has departed from the purposes for which it is formed. In case of any such a failure or departure, the Attorney General may institute, in the name of the State, the proceeding necessary to correct the noncompliance or departure.
- 2. The Attorney General, or any person given the status of relator by the Attorney General, may bring an action to enjoin, correct, obtain damages for or otherwise to remedy a breach of a charitable trust or departure from the purposes for which it is formed.
- 3. Any information collected by the Attorney General pursuant to this section:
- (a) Shall only be used in connection with an audit, examination, review or investigation by the Attorney General and for any proceedings or action resulting from such an audit, examination or investigation; and
- (b) Except as otherwise provided in this subsection and section 2 of this act, is subject to the requirements of section 2 of this act, unless expressly required by law to be publicly disclosed.
- **Sec. 5.** 1. There is hereby appropriated from the State General Fund to the Interim Finance Committee for allocation to the Office of the Attorney General to fund one Deputy Attorney General position and one Compliance Investigator position the following sums:





For the Fiscal Year 2023-2024 \$202,583 For the Fiscal Year 2024-2025 \$249,577 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

transferred in any manner, and any portion of the appropriated money remaining must not be spent for any purpose after September 20, 2024, and September 19, 2025, 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 20, 2024, and September 19, 2025, respectively.

Sec. 6. 1. This section and section 5 of this act become effective on July 1, 2023.

2. Sections 1 to 4, inclusive, of this act become effective on October 1, 2023.





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