ASSEMBLY BILL NO. 355-ASSEMBLYWOMAN FIORE

MARCH 17, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing administrative regulations. (BDR 18-843)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

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

AN ACT relating to administrative regulations; eliminating certain exemptions from the requirements of the Nevada Administrative Procedure Act; revising provisions governing the review of permanent regulations by the Legislative Commission and the Subcommittee to Review Regulations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

The Nevada Administrative Procedure Act establishes the procedures for the adoption of administrative regulations and the adjudication and judicial review of contested cases for agencies of the Executive Department of the State Government that are not exempt from the requirements of the Act. (Chapter 233B of NRS) Section 1 of this bill eliminates all exemptions for state agencies from the rulemaking requirements in the Act except the exemption for the Governor. As a result, those state agencies are required to comply with the requirements of the Act when adopting regulations. However, this bill does not eliminate the exemptions from the Act in existing law relating to contested cases. Sections 10-12, 14-18 and 20-22 of this bill make conforming changes to clarify that the rulemaking requirements of the Act apply to all state agencies except the Governor.

The separation-of-powers provision of the Nevada Constitution provides that if the Legislature authorizes the adoption of regulations by an agency of the Executive Department of the State Government which bind persons outside the agency, the Legislature is required to enact laws that provide for the review of those regulations by a legislative agency before the effective date of the regulations to determine initially whether each such regulation is within the statutory authority for its adoption. (Nev. Const. Art. 3, § 1) The Nevada Administrative Procedure Act sets forth the procedures for the adoption of emergency, temporary and permanent regulations by nonexempt state agencies. (NRS 233B.0395-233B.120) With limited exceptions, the Legislative Commission or its subcommittee, the Subcommittee to Review Regulations, is required under existing law to approve permanent



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regulations before those regulations become effective. (NRS 233B.067-233B.070) One of those exceptions authorizes the Legislative Commission to provide for a waiver of its review of a permanent regulation in a case of administrative 26 27 28 29 30 31 32 33 convenience or necessity. (NRS 233B.0681) Under existing law, the Legislative Commission is required to review a permanent regulation at its next regularly scheduled meeting if the permanent regulation is received more than 10 working days before the meeting or refer the permanent regulation for review to the Subcommittee. Sections 2, 5, 6 and 8 of this bill require the review of permanent regulations by the Legislative Commission and Subcommittee to occur only during a regular legislative session, unless otherwise required by specific statute. This bill does not change the procedure in existing law for the review of temporary regulations by the Commission or the Subcommittee.

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

Section 1. NRS 233B.039 is hereby amended to read as follows:

233B.039 1. The **following agencies are entirely exempted** from the requirements provisions of this chapter [:

(a) The do not apply to the Governor.

(b) Except as otherwise provided in NRS 209.221, the

2. The following agencies are exempted from the 7 requirements of NRS 233B.121 to 233B.150, inclusive:

(a) The Department of Corrections.

- (b) The State Board of Parole Commissioners.
- (c) The Nevada System of Higher Education.
- (d) The Office of the Military.
- (e) The State Gaming Control Board.
- (f) [Except as otherwise provided in NRS 368A.140 and 463.765, the The Nevada Gaming Commission.
- (g) The Division of Welfare and Supportive Services of the 16 17 Department of Health and Human Services.
 - (h) Except as otherwise provided in NRS 422.390, the The Division of Health Care Financing and Policy of the Department of Health and Human Services.
- (i) The State Board of Examiners acting pursuant to chapter 217 22 of NRS
- (j) Except as otherwise provided in NRS 533.365, thel The Office of the State Engineer. 24 25
 - (k) The Division of Industrial Relations of the Department of Business and Industry acting to enforce the provisions of NRS 618.375.
- (l) [The Administrator of the Division of Industrial Relations of 28 the Department of Business and Industry in establishing and 29



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adjusting the schedule of fees and charges for accident benefits pursuant to subsection 2 of NRS 616C.260.

— (m) The Board to Review Claims in adopting resolutions to carry out its duties pursuant to NRS 590.830.

(m) The Silver State Health Insurance Exchange.

[2.] (n) Except as otherwise provided in [subsection 5 and] NRS 391.323, the Department of Education, the Board of the Public Employees' Benefits Program and the Commission on Professional Standards in Education. [are subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.]

3. The special provisions of:

- (a) Chapter 612 of NRS for the [distribution of regulations by and the] judicial review of decisions of the Employment Security Division of the Department of Employment, Training and Rehabilitation;
- (b) Chapters 616A to 617, inclusive, of NRS for the determination of contested claims;
- (c) Chapter 91 of NRS for the judicial review of decisions of the Administrator of the Securities Division of the Office of the Secretary of State; and
- (d) NRS 90.800 for the use of summary orders in contested cases,

24 prevail over the general provisions of this chapter.

4. The provisions of NRS 233B.122, 233B.124, 233B.125 and 233B.126 do not apply to the Department of Health and Human Services in the adjudication of contested cases involving the issuance of letters of approval for health facilities and agencies.

5. The provisions of this chapter do not apply to:

- (a) Any order for immediate action, including, but not limited to, quarantine and the treatment or cleansing of infected or infested animals, objects or premises, made under the authority of the State Board of Agriculture, the State Board of Health, or any other agency of this State in the discharge of a responsibility for the preservation of human or animal health or for insect or pest control; *or*
- (b) [An extraordinary regulation of the State Board of Pharmacy adopted pursuant to NRS 453.2184;
- (c) A regulation adopted by the State Board of Education pursuant to NRS 392.644 or 394.1694; or
- 40 (d) The judicial review of decisions of the Public Utilities 41 Commission of Nevada.
 - [6. The State Board of Parole Commissioners is subject to the provisions of this chapter for the purpose of adopting regulations but not with respect to any contested case.]





Sec. 2. NRS 233B.060 is hereby amended to read as follows: 233B.060 1. Except as otherwise provided in subsection 2 and NRS 233B.061, before adopting, amending or repealing:

(a) A permanent regulation, the agency must, after receiving the approved or revised text of the proposed regulation prepared by the Legislative Counsel pursuant to NRS 233B.063, give at least 30 days' notice of its intended action, unless a shorter period of notice is specifically permitted by statute.

(b) A temporary regulation, the agency must give at least 30 days' notice of its intended action, unless a shorter period of notice is specifically permitted by statute.

- 2. Except as otherwise provided in subsection 3, if an agency has adopted a temporary regulation after notice and the opportunity for a hearing as provided in this chapter, it may adopt, after providing a second notice and the opportunity for a hearing, a permanent regulation, but the language of the permanent regulation must first be approved or revised by the Legislative Counsel and the adopted regulation must be [approved] submitted for approval by the Legislative Commission or the Subcommittee to Review Regulations [appointed] pursuant to [subsection 6 of] NRS 233B.067 [-] or 233B.0675.
- 3. If the Public Utilities Commission of Nevada has adopted a temporary regulation after notice and the opportunity for a hearing as provided in this chapter, it may adopt a substantively equivalent permanent regulation without further notice or hearing, but the language of the permanent regulation must first be approved or revised by the Legislative Counsel and the adopted regulation must be **[approved]** submitted for approval by the Legislative Commission or the Subcommittee to Review Regulations [1] pursuant to NRS 233B.067 or 233B.0675.

Sec. 3. NRS 233B.062 is hereby amended to read as follows:

- 233B.062 1. It is the policy of this State that every regulation of an agency be made easily accessible to the public and expressed in clear and concise language. To assist in carrying out this policy:
- (a) The Attorney General must develop guidelines for drafting regulations; and
- (b) Every permanent regulation must be incorporated, excluding any forms used by the agency, any publication adopted by reference, the title, any signature and other formal parts, in the Nevada Administrative Code, and every emergency or temporary regulation must be distributed in the same manner as the Nevada Administrative Code.
- 2. It is the policy of this State that persons with physical, mental or cognitive disabilities are to be referred to in the Nevada Administrative Code using language that is commonly viewed as





respectful and sentence structure that refers to the person before referring to the person's disability, in the same manner as provided in NRS 220.125 for Nevada Revised Statutes.

3. The Legislative Counsel shall:

- (a) Include each permanent regulation in the Nevada Administrative Code; and
- (b) Distribute in the same manner as the Nevada Administrative Code each emergency or temporary regulation,
- that is required to be adopted pursuant to the provisions of this chapter and which is adopted by an entity other than an agency.
- 4. The Legislative Commission may authorize inclusion in the Nevada Administrative Code of the regulations of [an agency otherwise exempted from the requirements of this chapter.] the Governor.
- **Sec. 4.** NRS 233B.0633 is hereby amended to read as follows: 233B.0633 1. Upon the request of a Legislator, the Legislative Commission may examine a temporary regulation adopted by an agency that is not yet effective pursuant to subsection

2 of NRS 233B.070 to determine whether the temporary regulation conforms to the statutory authority pursuant to which it was adopted and whether the temporary regulation carries out the intent of the

Legislature in granting that authority.

- 2. If a temporary regulation that the Legislative Commission is requested to examine pursuant to subsection 1 was required to be adopted by the agency pursuant to a federal statute or regulation and the temporary regulation exceeds the specific statutory authority of the agency or sets forth requirements that are more stringent than a statute of this State, the agency shall submit a statement to the Legislative Commission that adoption of the temporary regulation was required by a federal statute or regulation. The statement must include the specific citation of the federal statute or regulation requiring such adoption.
- 3. Except as otherwise provided in subsection 4, the Legislative Commission shall:
- (a) Review the temporary regulation at its next regularly scheduled meeting if the request for examination of the temporary regulation is received more than 10 working days before the meeting; or
- (b) Refer the temporary regulation for review to the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067.
- 4. If an agency determines that an emergency exists which requires a temporary regulation of the agency for which a Legislator requested an examination pursuant to subsection 1 to become effective before the next meeting of the Legislative Commission is





scheduled to be held, the agency may notify the Legislative Counsel in writing of the emergency. Upon receipt of such a notice, the Legislative Counsel shall refer the temporary regulation for review by the Subcommittee to Review Regulations as soon as practicable.

5. If the Legislative Commission, or the Subcommittee to Review Regulations if the temporary regulation was referred, approves the temporary regulation, the Legislative Counsel shall notify the agency that the agency may file the temporary regulation with the Secretary of State. If the Commission or the Subcommittee objects to the temporary regulation after determining that:

(a) If subsection 2 is applicable, the temporary regulation is not required pursuant to a federal statute or regulation;

(b) The temporary regulation does not conform to statutory authority; or

(c) The temporary regulation does not carry out legislative intent,

→ the Legislative Counsel shall attach to the temporary regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the temporary regulation to the agency.

- 6. If the Legislative Commission or the Subcommittee to Review Regulations has objected to a temporary regulation, the agency that adopted the temporary regulation shall revise the temporary regulation to conform to the statutory authority pursuant to which it was adopted and to carry out the intent of the Legislature in granting that authority and return it to the Legislative Counsel within 60 days after the agency received the written notice of the objection to the temporary regulation pursuant to subsection 5. Upon receipt of the revised temporary regulation, the Legislative Counsel shall resubmit the temporary regulation to the Legislative Commission or the Subcommittee for review. If the Legislative Commission or the Subcommittee approves the revised temporary regulation, the Legislative Counsel shall notify the agency that the agency may file the revised temporary regulation with the Secretary of State.
- 7. If the Legislative Commission or the Subcommittee to Review Regulations objects to the revised temporary regulation, the Legislative Counsel shall attach to the revised temporary regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the revised temporary regulation to the agency. The agency shall continue to revise it and resubmit it to the Legislative Commission or the Subcommittee within 30 days after the agency received the written notice of the objection to the revised temporary regulation.





- **Sec. 5.** NRS 233B.067 is hereby amended to read as follows:
- 233B.067 1. After adopting a permanent regulation, the agency shall submit the informational statement prepared pursuant to NRS 233B.066 and one copy of each regulation adopted to the Legislative Counsel for review by the Legislative Commission to determine whether to approve the regulation. The Legislative Counsel shall endorse on the original and the copy of each adopted regulation the date of their receipt. The Legislative Counsel shall maintain the copy of the regulation in a file and make the copy available for public inspection for 2 years.
- 2. If an agency submits an adopted regulation to the Legislative Counsel pursuant to subsection 1 that:
- (a) The agency is required to adopt pursuant to a federal statute or regulation; and
- (b) Exceeds the specific statutory authority of the agency or sets forth requirements that are more stringent than a statute of this State, → it shall include a statement that adoption of the regulation is required by a federal statute or regulation. The statement must include the specific citation of the federal statute or regulation requiring such adoption.
- 3. Except as otherwise provided in subsection 4,] Unless otherwise required by specific statute, the Legislative Commission shall:
- (a) Review the regulation [at its next regularly scheduled meeting if the regulation is received more than 10 working days before the meeting;] during the next regular session of the Legislature after submission of the regulation; or
- (b) Refer the regulation for review to the Subcommittee to Review Regulations appointed pursuant to subsection [6.] 5 during the next regular session of the Legislature after submission of the regulation.
- 4. [If an agency determines that an emergency exists which requires a regulation of the agency submitted pursuant to subsection 1 to become effective before the next meeting of the Legislative Commission is scheduled to be held, the agency may notify the Legislative Counsel in writing of the emergency. Upon receipt of such a notice, the Legislative Counsel shall refer the regulation for review by the Subcommittee to Review Regulations. The Subcommittee shall meet to review the regulation as soon as practicable.
- 5.1 If the Legislative Commission, or the Subcommittee to Review Regulations if the regulation was referred, approves the regulation, the Legislative Counsel shall promptly file the regulation with the Secretary of State and notify the agency of the filing. If the





Commission or Subcommittee objects to the regulation after determining that:

- (a) If subsection 2 is applicable, the regulation is not required pursuant to a federal statute or regulation;
 - (b) The regulation does not conform to statutory authority;
 - (c) The regulation does not carry out legislative intent;
- (d) The small business impact statement is inaccurate, incomplete or did not adequately consider or significantly underestimated the economic effect of the regulation on small businesses; or
- (e) The agency has not provided a satisfactory explanation of the need for the regulation in its informational statement as required pursuant to NRS 233B.066, or the informational statement is insufficient or incomplete,
- → the Legislative Counsel shall attach to the regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the regulation to the agency.
- [6. As soon as practicable after each regular legislative session, the]
- 5. *The* Legislative Commission shall appoint a Subcommittee to Review Regulations consisting of at least three members or alternate members of the Legislative Commission.
 - **Sec. 6.** NRS 233B.0675 is hereby amended to read as follows: 233B.0675 1. If the Legislative Commission, Subcommittee to Review Regulations appointed pursuant to [subsection 6 of] NRS 233B.067, has objected to a regulation, the agency shall revise the regulation to conform to the statutory authority pursuant to which it was adopted and to carry out the intent of the Legislature in granting that authority and return it to the Legislative Counsel within 60 days as soon as practicable after the agency received the written notice of the objection to the regulation pursuant to NRS 233B.067. Upon receipt of the revised regulation, the Legislative Counsel shall, if the Legislature is in regular session, resubmit the regulation to the Commission or Subcommittee for review. If the Commission or Subcommittee approves the revised regulation, the Legislative Counsel shall promptly file the revised regulation with the Secretary of State and notify the agency of the filing.
 - 2. If the Legislative Commission or Subcommittee objects to the revised regulation, the Legislative Counsel shall attach to the revised regulation a written notice of the objection, including, if practicable, a statement of the reasons for the objection, and shall promptly return the revised regulation to the agency. The agency shall continue to revise it and resubmit it to the *Legislative Counsel*



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for resubmission to the Commission or Subcommittee [within 30 days] as soon as practicable after the agency received the written notice of the objection to the revised regulation.

3. If the Legislature is not in regular session when the agency resubmits a revised regulation pursuant to this section, the Legislative Counsel shall resubmit the regulation to the Commission or Subcommittee at the next regular session of the Legislature after resubmission of the regulation.

Sec. 7. NRS 233B.0677 is hereby amended to read as follows:

233B.0677 1. Before holding a meeting to review temporary regulations pursuant to NRS 233B.0633 or adopted regulations pursuant to NRS 233B.067 or 233B.0675, the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to [subsection 6 of] NRS 233B.067, as applicable, shall provide written notice of the meeting at least 3 working days before the meeting. The notice must include, without limitation:

- (a) A list of the regulations that the Legislative Commission or the Subcommittee to Review Regulations will review at the meeting; and
- (b) An explanation of the manner in which a person may obtain a copy of a regulation that the Legislative Commission or Subcommittee to Review Regulations will review at the meeting.
- 2. If the Legislative Counsel Bureau maintains a website on the Internet or its successor, the Legislative Counsel Bureau shall, at least 3 working days before the Legislative Commission or the Subcommittee to Review Regulations holds a meeting to review temporary regulations pursuant to NRS 233B.0633 or adopted regulations pursuant to NRS 233B.0675, post on its website a list of the regulations that the Legislative Commission or the Subcommittee to Review Regulations will review at the meeting, unless the Legislative Counsel Bureau is unable to do so because of technical problems relating to the operation or maintenance of its website.
 - **Sec. 8.** NRS 233B.0681 is hereby amended to read as follows: 233B.0681 The Legislative Commission may provide for:
- 1. Its early review *during a regular session* of a proposed permanent regulation after the agency has given notice of a hearing on the regulation but before the hearing is held. If the permanent regulation adopted after the hearing is identical to the regulation submitted for early review, the Legislative Counsel shall promptly file the regulation with the Secretary of State and notify the agency of the filing.
- 2. A waiver of its review of a permanent regulation in a case of administrative convenience or necessity.





- **Sec. 9.** NRS 233B.105 is hereby amended to read as follows:
- 233B.105 1. A small business that is aggrieved by a regulation adopted by an agency on or after January 1, 2000, may object to all or a part of the regulation by filing a petition with the agency that adopted the regulation within 90 days after the date on which the regulation was adopted. An agency which receives such a petition shall transmit a copy of the petition to the Legislative Counsel for submission to the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067.
- 2. A petition filed pursuant to subsection 1 may be based on the following grounds:
- (a) The agency failed to prepare a small business impact statement as required pursuant to NRS 233B.0608 and 233B.0609; or
- (b) The small business impact statement prepared by the agency pursuant to NRS 233B.0608 and 233B.0609 is inaccurate, incomplete or did not adequately consider or significantly underestimated the economic effect of the regulation on small businesses.
- 3. After receiving a petition pursuant to subsection 1, an agency shall determine whether the petition has merit. If the agency determines that the petition has merit, the agency may, pursuant to this chapter, take action to amend the regulation to which the small business objected.
 - **Sec. 10.** NRS 209.221 is hereby amended to read as follows:
- 209.221 1. The Offenders' Store Fund is hereby created as a special revenue fund. All money received for the benefit of offenders through contributions, and from other sources not otherwise required to be deposited in another fund, must be deposited in the Offenders' Store Fund.
 - The Director shall:
- (a) Keep, or cause to be kept, a full and accurate account of the Fund;
- (b) Submit reports to the Board relative to money in the Fund as may be required from time to time; and
- (c) Submit a monthly report to the offenders of the amount of money in the Fund by posting copies of the report at locations accessible to offenders generally or by delivery of copies to the appropriate representatives of the offenders if any are selected.
- 3. Except as otherwise provided in subsections 4 to 9, inclusive, money in the Offenders' Store Fund, except interest earned upon it, must be expended for the welfare and benefit of all offenders.





- 4. If necessary to cover a shortfall of money in the Prisoners' Personal Property Fund, the Director may, after obtaining the approval of the Interim Finance Committee, authorize the State Controller to transfer money from the Offenders' Store Fund to the Prisoners' Personal Property Fund, and the State Controller shall make the transfer.
- 5. If an offender has insufficient money in his or her individual account in the Prisoners' Personal Property Fund to repay or defray costs assessed to the offender pursuant to NRS 209.246, the Director shall authorize the State Controller to transfer sufficient money from the Offenders' Store Fund to the appropriate account in the State General Fund to pay costs remaining unpaid, and the State Controller shall make the transfer. Any money so transferred must be accounted for separately. The Director shall cause the Offenders' Store Fund to be reimbursed from the offender's individual account in the Prisoners' Personal Property Fund, as money becomes available.
- 6. If the Department incurs costs related to state property that has been willfully damaged, destroyed or lost or incurs costs related to medical examination, diagnosis or treatment for an injury to an offender, the Director may authorize the State Controller to transfer money from the Offenders' Store Fund to the appropriate account in the State General Fund to repay or defray those costs if:
- (a) The Director has reason to believe that an offender caused the damage, destruction, loss or injury; and
- (b) The identity of the offender is unknown or cannot be determined by the Director with reasonable certainty.
- → The State Controller shall make the transfer if authorized by the Director. Any money transferred must be accounted for separately. If the identity of the offender is determined after money has been transferred, the Director shall cause the Offenders' Store Fund to be reimbursed from the offender's individual account in the Prisoners' Personal Property Fund, as money becomes available.
- 7. The Director may, with approval of the Board, establish by regulation criteria for a reasonable deduction from money credited to the Offenders' Store Fund to repay or defray the costs relating to the operation and maintenance of the offenders' store, coffee shop, gymnasium and correctional officers' salaries for visitation posts where they exist in each facility. [Any regulations adopted pursuant to this subsection must be adopted in accordance with the provisions of chapter 233B of NRS.]
- 8. The Director may, with approval of the Board, establish by regulation a charge on the purchase of electronic devices by offenders to defray the costs relating to the operation of the devices. The Director shall utilize the proceeds collected from the charge





established for operation of the devices to offset the energy costs of the facilities within the Department. [Any regulations adopted pursuant to this subsection must be adopted in accordance with the provisions of chapter 233B of NRS.]

- 9. If an offender who has been assigned to a center for the purpose of making restitution is returned to an institution for committing an infraction of the regulations of the Department and the center has not been fully compensated for the cost of providing the offender with housing, transportation, meals, or medical or dental services at the center, the Director may authorize the State Controller to transfer money from the Offenders' Store Fund to the appropriate account in the State General Fund to repay or defray those costs. The State Controller shall make the transfer if authorized by the Director. Any money transferred must be accounted for separately. The Director shall cause the Offenders' Store Fund to be reimbursed from the offender's individual account in the Prisoners' Personal Property Fund, as money becomes available
- 10. If an offender has insufficient money in his or her individual account in the Prisoners' Personal Property Fund to repay or defray costs assessed to the offender pursuant to NRS 209.246, the offender shall sign a statement under penalty of perjury concerning his or her financial situation. Such a statement must include, but is not limited to, the following information:
 - (a) The value of any interest the offender has in real estate;
 - (b) The value of the personal property of the offender;
 - (c) The assets in any bank account of the offender; and
 - (d) The employment status of the offender.
- 11. The statement required by subsection 10 must also authorize the Department to access any relevant document, for the purpose of verifying the accuracy of the information provided by the offender pursuant to this section, including, but not limited to, information regarding any bank account of the offender, information regarding any bank account held in trust for the offender and any federal income tax return, report or withholding form of the offender.
- 12. An offender who conceals assets from the Department or provides false or misleading information on a statement prepared pursuant to this section is guilty of a gross misdemeanor.
- 13. A person who aids or encourages an offender to conceal assets from the Department or to provide false or misleading information on a statement prepared pursuant to this section is guilty of a gross misdemeanor.





- **Sec. 11.** NRS 213.10988 is hereby amended to read as follows:
 - 213.10988 1. The Chief Parole and Probation Officer shall adopt by regulation standards to assist him or her in formulating a recommendation regarding the granting of probation or the revocation of parole or probation to a convicted person who is otherwise eligible for or on probation or parole. The standards must be based upon objective criteria for determining the person's probability of success on parole or probation.
 - 2. In establishing standards, the Chief Parole and Probation Officer shall first consider all factors which are relevant in determining the probability that a convicted person will live and remain at liberty without violating the law if parole is continued or probation is granted or continued.
 - 3. The Chief Parole and Probation Officer shall adjust the standards to provide a recommendation of greater punishment for a convicted person who has a history of repetitive criminal conduct or who commits a serious crime, with a violent crime considered the most serious, than for a convicted person who does not have a history of repetitive crimes and did not commit a serious crime.
 - 4. [When adopting regulations pursuant to this section, the Chief Parole and Probation Officer shall follow the procedure set forth in chapter 233B of NRS for the adoption of regulations.
- 5.] The Chief Parole and Probation Officer shall report to each regular session of the Legislature:
- (a) The number and percentage of recommendations made regarding parole and probation which conflicted with the standards; and
 - (b) Any recommendations regarding the standards.
 - Sec. 12. NRS 274.120 is hereby amended to read as follows:
- 274.120 1. No later than January 1, 1985, and from time to time as necessary, the Administrator shall, except as provided in NRS 274.140, adopt regulations exempting businesses within specially benefited zones from those state regulations contained in the list published pursuant to NRS 274.110, for which the Administrator finds that incentives for the creation of jobs or for business development within specially benefited zones engendered by the exemption outweigh the need and justification for the regulation. In making such findings, the Administrator shall consider all information, data and opinions submitted by the public and the state agencies, and any other information otherwise available. These regulations must be in the form of amendments to the existing state regulations to be affected. [, and are subject to the provisions of chapter 233B of NRS.]





- 2. Upon its effective date, any regulation of the Administrator adopted under subsection 1 supersedes the exempted state regulation in accordance with the terms of the exemption. An exemption applies only to businesses within specially benefited zones during the effective term of the respective zones. State agencies may not adopt emergency regulations to circumvent an exemption granted by the Administrator. Any such emergency regulation is not effective within the specially benefited zones to the extent it is inconsistent with the terms of the exemption.
- Sec. 13. NRS 281A.550 is hereby amended to read as follows: 281A.550 1. A former member of the Public Utilities Commission of Nevada shall not:
- (a) Be employed by a public utility or parent organization or subsidiary of a public utility; or
- (b) Appear before the Public Utilities Commission of Nevada to testify on behalf of a public utility or parent organization or subsidiary of a public utility,
- → for 1 year after the termination of the member's service on the Public Utilities Commission of Nevada.
- 2. A former member of the State Gaming Control Board or the Nevada Gaming Commission shall not:
- (a) Appear before the State Gaming Control Board or the Nevada Gaming Commission on behalf of a person who holds a license issued pursuant to chapter 463 or 464 of NRS or who is required to register with the Nevada Gaming Commission pursuant to chapter 463 of NRS; or
 - (b) Be employed by such a person,
- → for 1 year after the termination of the member's service on the State Gaming Control Board or the Nevada Gaming Commission.
- 3. In addition to the prohibitions set forth in subsections 1 and 2, and except as otherwise provided in subsections 4 and 6, a former public officer or employee of a board, commission, department, division or other agency of the Executive Department of State Government, except a clerical employee, shall not solicit or accept employment from a business or industry whose activities are governed by regulations adopted by the board, commission, department, division or other agency for 1 year after the termination of the former public officer's or employee's service or period of employment if:
- (a) The former public officer's or employee's principal duties included the formulation of policy contained in the regulations governing the business or industry;
- (b) During the immediately preceding year, the former public officer or employee directly performed activities, or controlled or influenced an audit, decision, investigation or other action, which





significantly affected the business or industry which might, but for this section, employ the former public officer or employee; or

- (c) As a result of the former public officer's or employee's governmental service or employment, the former public officer or employee possesses knowledge of the trade secrets of a direct business competitor.
- 4. The provisions of subsection 3 do not apply to a former public officer who was a member of a board, commission or similar body of the State if:
- (a) The former public officer is engaged in the profession, occupation or business regulated by the board, commission or similar body;
- (b) The former public officer holds a license issued by the board, commission or similar body; and
- (c) Holding a license issued by the board, commission or similar body is a requirement for membership on the board, commission or similar body.
- 5. Except as otherwise provided in subsection 6, a former public officer or employee of the State or a political subdivision, except a clerical employee, shall not solicit or accept employment from a person to whom a contract for supplies, materials, equipment or services was awarded by the State or political subdivision, as applicable, for 1 year after the termination of the officer's or employee's service or period of employment, if:
 - (a) The amount of the contract exceeded \$25,000;
- (b) The contract was awarded within the 12-month period immediately preceding the termination of the officer's or employee's service or period of employment; and
- (c) The position held by the former public officer or employee at the time the contract was awarded allowed the former public officer or employee to affect or influence the awarding of the contract.
- 6. A current or former public officer or employee may request that the Commission apply the relevant facts in that person's case to the provisions of subsection 3 or 5, as applicable, and determine whether relief from the strict application of those provisions is proper. If the Commission determines that relief from the strict application of the provisions of subsection 3 or 5, as applicable, is not contrary to:
 - (a) The best interests of the public;
- (b) The continued ethical integrity of the State Government or political subdivision, as applicable; and
 - (c) The provisions of this chapter,
- it may issue an opinion to that effect and grant such relief. The opinion of the Commission in such a case is final and subject to judicial review pursuant to NRS 233B.130, except that a proceeding





regarding this review must be held in closed court without admittance of persons other than those necessary to the proceeding, unless this right to confidential proceedings is waived by the current or former public officer or employee.

- 7. Each request for an opinion that a current or former public officer or employee submits to the Commission pursuant to subsection 6, each opinion rendered by the Commission in response to such a request and any motion, determination, evidence or record of a hearing relating to such a request are confidential unless the current or former public officer or employee who requested the opinion:
- (a) Acts in contravention of the opinion, in which case the Commission may disclose the request for the opinion, the contents of the opinion and any motion, evidence or record of a hearing related thereto;
- (b) Discloses the request for the opinion, the contents of the opinion or any motion, evidence or record of a hearing related thereto; or
- (c) Requests the Commission to disclose the request for the opinion, the contents of the opinion, or any motion, evidence or record of a hearing related thereto.
- 8. A meeting or hearing that the Commission or an investigatory panel holds to receive information or evidence concerning the propriety of the conduct of a current or former public officer or employee pursuant to this section and the deliberations of the Commission and the investigatory panel on such information or evidence are not subject to the provisions of chapter 241 of NRS.
- 9. As used in this section, "regulation" has the meaning ascribed to it in NRS 233B.038 and also includes regulations adopted by fa board, commission, department, division or other agency of the Executive Department of State Government that the Governor who is exempted from the requirements of chapter 233B of NRS
 - **Sec. 14.** NRS 368A.140 is hereby amended to read as follows:
- 368A.140 1. The Board shall collect the tax imposed by this chapter from taxpayers who are licensed gaming establishments. The Commission shall adopt such regulations as are necessary to carry out the provisions of this subsection. [The regulations must be adopted in accordance with the provisions of chapter 233B of NRS and must be codified in the Nevada Administrative Code.]
 - 2. The Department shall:
- (a) Collect the tax imposed by this chapter from all other taxpayers; and
- (b) Adopt such regulations as are necessary to carry out the provisions of paragraph (a).





3. For the purposes of:

(a) Subsection 1, the provisions of chapter 463 of NRS relating to the payment, collection, administration and enforcement of gaming license fees and 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 taxes imposed by this chapter to the extent that those provisions do not conflict with the provisions of this chapter.

(b) Subsection 2, 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 taxes imposed by this chapter to the extent that those provisions do not conflict with the provisions of this chapter.

4. To ensure that the tax imposed by NRS 368A.200 is collected fairly and equitably, the Commission, the Board and the Department shall:

- (a) Jointly, coordinate the administration and collection of that tax and the regulation of taxpayers who are liable for the payment of the tax
- (b) Upon request, assist the other agencies in the collection of that tax.
 - **Sec. 15.** NRS 422.390 is hereby amended to read as follows:
 - 422.390 1. The Division shall adopt regulations concerning:
- (a) Procedures for the intergovernmental transfers of money from the counties to the Division for the purposes of carrying out the provisions of NRS 422.380 to 422.390, inclusive, and the State Plan for Medicaid.
- (b) Provisions for the payment of a penalty and interest for a delinquent intergovernmental transfer.
- (c) Provisions for the payment of interest by the Division for late reimbursements to hospitals or other providers of medical care.
- (d) Provisions for the calculation of disproportionate share payments for hospitals.
- (e) Any required documentation of and reporting by a hospital relating to the calculation of the disproportionate share payment for the hospital and the verification of the disproportionate share payment that has been received by the hospital.
- (f) Procedures and requirements for conducting independent and certified audits of hospitals and the disproportionate share payments made to hospitals as required pursuant to Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., and the regulations adopted pursuant to those provisions.





- (g) Procedures for adjusting a disproportionate share payment in accordance with Title XIX of the Social Security Act, 42 U.S.C. §§ 1396, et seq., and the regulations adopted pursuant to those provisions, if the audit of a hospital demonstrates that a disproportionate share payment made to the hospital was greater than the amount of money the hospital was eligible to receive.
- (h) Procedures for redistributing any disproportionate share payment returned to the Division by a hospital in accordance with Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., and the regulations adopted pursuant to those provisions.
- 2. The Division shall report to the Interim Finance Committee quarterly concerning the provisions of NRS 422.380 to 422.390, inclusive.
- [3. Notwithstanding the provisions of NRS 233B.039 to the contrary, the regulations adopted pursuant to this section must be adopted in accordance with the provisions of chapter 233B of NRS and must be codified in the Nevada Administrative Code.]
 - **Sec. 16.** NRS 462.130 is hereby amended to read as follows:
- 462.130 1. The Board and Commission shall administer the provisions of this chapter for the protection of the public and in the public interest in accordance with the policy of this state.
 - 2. The Commission, upon the recommendation of the Board:
- (a) May adopt such regulations as it deems desirable to enforce the provisions of this chapter; and
- (b) Shall adopt regulations providing a procedure to appeal the denial of the approval of the Executive Director pursuant to NRS 462.150.
- → pursuant to the procedure set forth in NRS 463.145.1
- **Sec. 17.** NRS 463.40935 is hereby amended to read as follows:
- 463.40935 1. The Board and Commission shall administer the provisions of NRS 463.4091 to 463.40965, inclusive, for the protection of the public and in the public interest in accordance with the policy of this state.
- 2. The Commission, upon the recommendation of the Board, may adopt such regulations as it deems desirable to enforce the provisions of NRS 463.4091 to 463.40965, inclusive. [, pursuant to the procedure set forth in NRS 463.145.]
 - **Sec. 18.** NRS 463.765 is hereby amended to read as follows:
- 463.765 1. Unless a different fee is established pursuant to this section:
- (a) Before issuing an initial license for an establishment to operate interactive gaming, the Commission shall charge and collect from the establishment a license fee of \$500,000.





- (b) Each initial license for an establishment to operate interactive gaming must be issued for a 2-year period beginning on January 1 of the first year and ending on December 31 of the second year.
- (c) Notwithstanding the provisions of paragraphs (a) and (b) to the contrary, a license for an establishment to operate interactive gaming may be issued after January 1 of a calendar year for a period beginning on the date of issuance of the license and ending on the second December 31 following the date of issuance of the license. Before issuing an initial license pursuant to this subsection, the Commission shall charge and collect from the establishment a license fee of \$500,000 prorated by 1/24 for each full month between January 1 of the calendar year and the date of issuance of the license.
- (d) Before renewing a license issued pursuant to this section, but in no case later than the second December 31 after the license was issued or previously renewed, the Commission shall charge and collect a renewal fee of \$250,000 for the renewal of the license for the immediately following 1-year period.
- 2. The Commission may, by regulation, increase the license fee pursuant to this section to not more than \$1,000,000 and the renewal fee to not more than \$500,000 if the Commission determines one or more of the following:
- (a) A higher fee is necessary to ensure licensees have the financial capacity to operate interactive gaming:
- (b) Regulatory costs to carry out the duties of the Commission and the Board, outside of investigative costs, require additional personnel or other regulatory expenditures;
- (c) A higher fee is necessary because of costs incurred or other conditions associated with entering into an interactive gaming agreement with one or more other states; or
- (d) Federal legislation requires a higher fee or imposes requirements necessitating the higher fee or making it advisable.
- 3. The Commission may, by regulation, reduce the license fee pursuant to this section to not less than \$150,000 and the renewal fee to not less than \$75,000 in the manner provided in this subsection. [Any regulation adopted pursuant to this subsection must be adopted in accordance with the provisions of chapter 233B of NRS, and the] *The* Commission must not reduce the fees unless it determines two or more of the following:
- (a) The fee is not competitive with fees charged in other jurisdictions;
- (b) The low number of applicants demonstrates that the fee is too high;





- (c) A lower fee would generate greater competition in the market;
- (d) A lower fee is necessary because of conditions associated with entering into an interactive gaming agreement with one or more other states; or
- (e) Federal legislation requires a lower fee or makes a lower fee advisable.
- 4. Any increase or decrease in fees established by the Commission pursuant to this section applies to the issuance or renewal of a license on or after the effective date of the increase or decrease.

Sec. 19. NRS 514A.110 is hereby amended to read as follows: 514A.110 A permanent regulation adopted by the:

- 1. Nevada Tax Commission, pursuant to NRS 360.090, concerning any taxation related to the extraction of any mineral in this State, including, without limitation, the taxation of the net proceeds pursuant to chapter 362 of NRS and Section 5 of Article 10 of the Nevada Constitution:
- 2. Administrator of the Division of Industrial Relations of the Department of Business and Industry for mine health and safety pursuant to NRS 512.131;
- 3. Commission on Mineral Resources pursuant to NRS 513.063, 513.094 or 519A.290; and
- 4. State Environmental Commission pursuant to NRS 519A.160,
- is not effective unless it is reviewed by the Mining Oversight and Accountability Commission before it is approved pursuant to chapter 233B of NRS by the Legislative Commission or the Subcommittee to Review Regulations appointed pursuant to subsection 6 of NRS 233B.067. After conducting its review of the regulation, the Mining Oversight and Accountability Commission shall provide a report of its findings and recommendations regarding the regulation to the Legislative Counsel for submission to the Legislative Commission or the Subcommittee to Review Regulations, as appropriate.
 - **Sec. 20.** NRS 533.365 is hereby amended to read as follows:
- 533.365 1. Any person interested may, within 30 days after the date of last publication of the notice of application, file with the State Engineer a written protest against the granting of the application, setting forth with reasonable certainty the grounds of such protest, which, except as otherwise provided in subsection 2, must be verified by the affidavit of the protestant, or an agent or attorney thereof.
- 2. If the application is for a permit to change the place of diversion, manner of use or place of use of water already





appropriated within the same basin, a protest filed against the granting of such an application by a government, governmental agency or political subdivision of a government must be verified by the affidavit of:

(a) Except as otherwise provided in paragraph (b), the director, administrator, chief, head or other person in charge of the government, governmental agency or political subdivision; or

(b) If the governmental agency or political subdivision is a division or other part of a department, the director or other person in charge of that department in this State, including, without limitation:

(1) The Regional Forester for the Intermountain Region, if

the protest is filed by the United States Forest Service;

(2) The State Director of the Nevada State Office of the Bureau of Land Management, if the protest is filed by the Bureau of Land Management;

(3) The Regional Director of the Pacific Southwest Region, if the protest is filed by the United States Fish and Wildlife Service;

(4) The Regional Director of the Pacific West Region, if the protest is filed by the National Park Service;

(5) The Director of the State Department of Conservation and Natural Resources, if the protest is filed by any division of that Department; or

(6) The chair of the board of county commissioners, if the

protest is filed by a county.

- 3. On receipt of a protest that complies with the requirements of subsection 1 or 2, the State Engineer shall advise the applicant whose application has been protested of the fact that the protest has been filed with the State Engineer, which advice must be sent by certified mail.
- 4. The State Engineer shall consider the protest, and may, in his or her discretion, hold hearings and require the filing of such evidence as the State Engineer may deem necessary to a full understanding of the rights involved. The State Engineer shall give notice of the hearing by certified mail to both the applicant and the protestant. The notice must state the time and place at which the hearing is to be held and must be mailed at least 15 days before the date set for the hearing.
- 5. Each applicant and each protestant shall, in accordance with a schedule established by the State Engineer, provide to the State Engineer and to each protestant and each applicant information required by the State Engineer relating to the application or protest.
- 6. If the State Engineer holds a hearing pursuant to subsection 4, the State Engineer shall render a decision on each application not later than 240 days after the later of:





- (a) The date all transcripts of the hearing become available to the State Engineer; or
- (b) The date specified by the State Engineer for the filing of any additional information, evidence, studies or compilations requested by the State Engineer. The State Engineer may, for good cause shown, extend any applicable period.
- 7. The State Engineer shall adopt rules of practice regarding the conduct of a hearing held pursuant to subsection 4. [The rules of practice must be adopted in accordance with the provisions of NRS 233B.040 to 233B.120, inclusive, and codified in the Nevada Administrative Code.] The technical rules of evidence do not apply at such a hearing.
- Sec. 21. NRS 603A.217 is hereby amended to read as follows: 603A.217 Upon receipt of a well-founded petition, the Office of Information Security of the Division of Enterprise Information Technology Services of the Department of Administration may pursuant to chapter 233B of NRS, adopt regulations which identify alternative methods or technologies which may be used to encrypt
- alternative methods or technologies which may be used to encrypt data pursuant to NRS 603A.215.

 Sec. 22. NRS 422.2369, 422A.190 and 463.145 are hereby
 - repealed. **Sec. 23.** This act becomes effective on July 1, 2015.

TEXT OF REPEALED SECTIONS

422.2369 Procedure for adopting, amending or repealing regulations.

- 1. Before adopting, amending or repealing any regulation for the administration of a program of public assistance or any other program for which the Division is responsible, the Administrator must give at least 30 days' notice of the intended action.
 - 2. The notice of intent to act upon a regulation must:
- (a) Include a statement of the need for and purpose of the proposed regulation, and either the terms or substance of the proposed regulation or a description of the subjects and issues involved, and of the time when, the place where and the manner in which interested persons may present their views thereon.
- (b) Include a statement identifying the entities that may be financially affected by the proposed regulation and the potential financial impact, if any, upon local government.
- (c) State each address at which the text of the proposed regulation may be inspected and copied.



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- (d) Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the Administrator for that purpose.
- 3. All interested persons must be afforded a reasonable opportunity to submit data, views or arguments upon a proposed regulation, orally or in writing. The Administrator shall consider fully all oral and written submissions relating to the proposed regulation.
- 4. The Administrator shall keep, retain and make available for public inspection written minutes and an audio recording or transcript of each public hearing held pursuant to this section in the manner provided in NRS 241.035. A copy of the minutes or audio recordings must be made available to a member of the public upon request at no charge pursuant to NRS 241.035.
- 5. An objection to any regulation on the ground of noncompliance with the procedural requirements of this section may not be made more than 2 years after its effective date.

422A.190 Procedure for adopting, amending or repealing regulations.

- 1. Before adopting, amending or repealing any regulation for the administration of a program of public assistance or any other program for which the Division is responsible, the Administrator must give at least 30 days' notice of the intended action.
 - 2. The notice of intent to act upon a regulation must:
- (a) Include a statement of the need for and purpose of the proposed regulation, and either the terms or substance of the proposed regulation or a description of the subjects and issues involved, and of the time when, the place where and the manner in which interested persons may present their views thereon.
- (b) Include a statement identifying the entities that may be financially affected by the proposed regulation and the potential financial impact, if any, upon local government.
- (c) State each address at which the text of the proposed regulation may be inspected and copied.
- (d) Be mailed to all persons who have requested in writing that they be placed upon a mailing list, which must be kept by the Administrator for that purpose.
- 3. All interested persons must be afforded a reasonable opportunity to submit data, views or arguments upon a proposed regulation, orally or in writing. The Administrator shall consider fully all oral and written submissions relating to the proposed regulation.
- 4. The Administrator shall keep, retain and make available for public inspection written minutes and an audio recording or transcript of each public hearing held pursuant to this section in the





manner provided in NRS 241.035. A copy of the minutes or audio recordings must be made available to a member of the public upon request at no charge pursuant to NRS 241.035.

5. No objection to any regulation on the ground of noncompliance with the procedural requirements of this section may be made more than 2 years after its effective date.

463.145 Adoption, amendment and repeal: Procedure.

- 1. Except as otherwise provided in NRS 368A.140, the Commission shall, pursuant to NRS 463.150, adopt, amend and repeal regulations in accordance with the following procedures:
- (a) At least 30 days before a meeting of the Commission at which the adoption, amendment or repeal of a regulation is considered, notice of the proposed action must be:
 - (1) Posted on the Commission's Internet website;
- (2) Mailed to every person who has filed a request therefor with the Commission; and
- (3) When the Commission deems advisable, mailed to any person whom the Commission believes would be interested in the proposed action, and published in such additional form and manner as the Commission prescribes.
- (b) The notice of proposed adoption, amendment or repeal must include:
- (1) A statement of the time, place and nature of the proceedings for adoption, amendment or repeal;
- (2) Reference to the authority under which the action is proposed; and
- (3) Either the express terms or an informative summary of the proposed action.
- (c) On the date and at the time and place designated in the notice, the Commission shall afford any interested person or his or her authorized representative, or both, the opportunity to present statements, arguments or contentions in writing, with or without opportunity to present them orally. The Commission shall consider all relevant matter presented to it before adopting, amending or repealing any regulation.
- (d) Any interested person may file a petition with the Commission requesting the adoption, amendment or repeal of a regulation. The petition must state, clearly and concisely:
- (1) The substance or nature of the regulation, amendment or repeal requested;
 - (2) The reasons for the request; and
- (3) Reference to the authority of the Commission to take the action requested.





- Upon receipt of the petition, the Commission shall within 45 days deny the request in writing or schedule the matter for action pursuant to this subsection.
- (e) In emergencies, the Commission may summarily adopt, amend or repeal any regulation if at the same time it files a finding that such action is necessary for the immediate preservation of the public peace, health, safety, morals, good order or general welfare, together with a statement of the facts constituting the emergency.
- 2. In any hearing held pursuant to this section, the Commission or its authorized representative may administer oaths or affirmations, and may continue or postpone the hearing from time to time and at such places as it prescribes.
- 3. The Commission may request the advice and assistance of the Board in carrying out the provisions of this section.





