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ASSEMBLY BILL NO. 14—COMMITTEE  
ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE STATE CONTROLLER)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Makes requirements for management of bad debts consistent among agencies of the Executive Branch of the State Government. (BDR 18-457)

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

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

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AN ACT relating to state financial administration; revising the process for designating certain debts owed to the Division of Industrial Relations of the Department of Business and Industry and to the State Gaming Control Board as bad debts; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

1 Existing law authorizes the State Controller to request that the State Board of  
2 Examiners designate as a bad debt a debt owed to the State that has become  
3 impossible or impractical to collect. If the State Board of Examiners concurs, by  
4 affirmative majority vote, that the debt is impossible or impractical to collect, it  
5 may designate the debt as a bad debt and the State Controller may remove the debt  
6 from the books of account of the State. (NRS 353C.220) Under existing law, the  
7 Division of Industrial Relations of the Department of Business and Industry and the  
8 Nevada Gaming Commission, on behalf of the State Gaming Control Board, may  
9 remove bad debts from its records without action of the State Board of Examiners.  
10 (NRS 232.550, 463.120) This bill transfers to the State Board of Examiners the  
11 authority to designate debts of the Division and the State Gaming Control Board as  
12 bad debts and to cause the removal of those debts from the books of account of the  
13 State.



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

1       **Section 1.** Chapter 232 of NRS is hereby amended by adding  
2 thereto a new section to read as follows:

3       1. *On or before January 15 of each year, the Administrator*  
4 *shall prepare and furnish to the Council a report that shows all*  
5 *debts owed to the Division that became or remained delinquent*  
6 *during the preceding year. The Administrator shall include in the*  
7 *report the amount of any delinquent debt that the Division*  
8 *determines is impossible or impractical to collect.*

9       2. *For any amount of debt the Division determines is*  
10 *impossible or impractical to collect, the Council shall request the*  
11 *State Board of Examiners designate such amount as a bad debt.*  
12 *The State Board of Examiners, by an affirmative vote of the*  
13 *majority of the members of the Board, may designate the debt as*  
14 *bad debt if the Board is satisfied that the collection of the debt is*  
15 *impossible or impractical. If the amount of the debt is not more*  
16 *than \$50, the State Board of Examiners may delegate to its Clerk*  
17 *the authority to designate the debt as a bad debt. The Council may*  
18 *appeal to the State Board of Examiners a denial by the Clerk of a*  
19 *request to designate a debt as a bad debt.*

20       3. *Upon the designation of a debt as a bad debt pursuant to*  
21 *this section, the State Board of Examiners or its Clerk shall*  
22 *immediately notify the State Controller thereof. Upon receiving*  
23 *the notification, the State Controller shall direct the removal of the*  
24 *bad debt from the books of account of the State of Nevada. A bad*  
25 *debt that is removed pursuant to this section remains a legal and*  
26 *binding obligation owed by the debtor to the State of Nevada.*

27       4. *The State Controller shall keep a master file of all debts*  
28 *that are designated as bad debts pursuant to this section. For each*  
29 *such debt, the State Controller shall record the name of the debtor,*  
30 *the amount of the debt, the date on which the debt was incurred*  
31 *and the date on which it was removed from the records and books*  
32 *of account of the State of Nevada, and any other information*  
33 *concerning the debt that the State Controller determines is*  
34 *necessary.*

35       **Sec. 2.** NRS 232.550 is hereby amended to read as follows:

36       232.550 As used in NRS 232.550 to 232.700, inclusive, *and*  
37 *section 1 of this act*, unless the context otherwise requires:

38       1. "Administrator" means the Administrator of the Division.

39       2. "Director" means the Director of the Department of  
40 Business and Industry.

41       3. "Division" means the Division of Industrial Relations of the  
42 Department of Business and Industry.



1 4. "Insurer" includes:

- 2 (a) A self-insured employer;
- 3 (b) An association of self-insured public employers;
- 4 (c) An association of self-insured private employers; and
- 5 (d) A private carrier.

6 **Sec. 3.** NRS 232.600 is hereby amended to read as follows:

7 232.600 1. The Council shall act in an advisory capacity to  
8 the Administrator and may, on its own initiative or at the request of  
9 the Administrator, conduct studies or investigations concerning the  
10 organization and administration of the Division and make  
11 recommendations to the Administrator based on the results of such  
12 studies or investigations.

13 2. The Council shall review on a quarterly basis the records of  
14 oral complaints compiled by the Division pursuant to NRS 618.336.  
15 Upon completing its review, the Council shall submit any comments  
16 or recommendations regarding the complaints or the records to the  
17 Administrator.

18 ~~3. The Council, by the affirmative vote of a majority of its~~  
19 ~~members, may remove from the records of the Division the name of~~  
20 ~~a debtor and the amount of any debt owed by the debtor, if 3 years~~  
21 ~~have elapsed since the debt was incurred and the Council determines~~  
22 ~~that the debt remains impossible or impractical to collect. The~~  
23 ~~Division shall establish a master file containing the information~~  
24 ~~removed from its official records pursuant to this subsection.~~

25 **Sec. 4.** Chapter 463 of NRS is hereby amended by adding  
26 thereto a new section to read as follows:

27 *1. On or before January 15 of each year, the Board shall*  
28 *prepare and furnish to the Commission a report that shows all*  
29 *debts owed to the Board that became or remained delinquent*  
30 *during the preceding year. The Board shall include in the report*  
31 *the amount of any delinquent debt that the Board determines is*  
32 *impossible or impractical to collect.*

33 *2. For any amount of debt the State Gaming Control Board*  
34 *determines is impossible or impractical to collect, the State*  
35 *Gaming Control Board shall request that the State Board of*  
36 *Examiners designate such amount as a bad debt. The State Board*  
37 *of Examiners, by an affirmative vote of the majority of the*  
38 *members of the State Board of Examiners, may designate the debt*  
39 *as bad debt if the State Board of Examiners is satisfied that the*  
40 *collection of the debt is impossible or impractical. If the amount of*  
41 *the debt is not more than \$50, the State Board of Examiners may*  
42 *delegate to its Clerk the authority to designate the debt as a bad*  
43 *debt. The State Gaming Control Board may appeal to the State*  
44 *Board of Examiners a denial by the Clerk of a request to designate*  
45 *a debt as a bad debt.*



1       3. *Upon the designation of a debt as a bad debt pursuant to*  
2 *this section, the State Board of Examiners or its Clerk shall*  
3 *immediately notify the State Controller thereof. Upon receiving*  
4 *the notification, the State Controller shall direct the removal of the*  
5 *bad debt from the books of account of the State of Nevada. A bad*  
6 *debt that is removed pursuant to this section remains a legal and*  
7 *binding obligation owed by the debtor to the State of Nevada.*

8       4. *The State Controller shall keep a master file of all debts*  
9 *that are designated as bad debts pursuant to this section. For each*  
10 *such debt, the State Controller shall record the name of the debtor,*  
11 *the amount of the debt, the date on which the debt was incurred*  
12 *and the date on which it was removed from the records and books*  
13 *of account of the State of Nevada, and any other information*  
14 *concerning the debt that the State Controller determines is*  
15 *necessary.*

16       **Sec. 5.** NRS 463.120 is hereby amended to read as follows:

17       463.120 1. The Board and the Commission shall cause to be  
18 made and kept a record of all proceedings at regular and special  
19 meetings of the Board and the Commission. These records are open  
20 to public inspection.

21       2. The Board shall maintain a file of all applications for  
22 licenses under this chapter and chapter 466 of NRS, together with a  
23 record of all action taken with respect to those applications. The file  
24 and record are open to public inspection.

25       3. The Board and the Commission may maintain such other  
26 files and records as they may deem desirable.

27       4. Except as otherwise provided in this section, all information  
28 and data:

29       (a) Required by the Board or Commission to be furnished to it  
30 under chapters 462 to 466, inclusive, of NRS or any regulations  
31 adopted pursuant thereto or which may be otherwise obtained  
32 relative to the finances, earnings or revenue of any applicant or  
33 licensee;

34       (b) Pertaining to an applicant's or natural person's criminal  
35 record, antecedents and background which have been furnished to or  
36 obtained by the Board or Commission from any source;

37       (c) Provided to the members, agents or employees of the Board  
38 or Commission by a governmental agency or an informer or on the  
39 assurance that the information will be held in confidence and treated  
40 as confidential;

41       (d) Obtained by the Board from a manufacturer, distributor or  
42 operator, or from an operator of an inter-casino linked system,  
43 relating to the manufacturing of gaming devices or the operation of  
44 an inter-casino linked system; or



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1 (e) Prepared or obtained by an agent or employee of the Board  
2 or Commission pursuant to an audit, investigation, determination or  
3 hearing,

4 ↪ are confidential and may be revealed in whole or in part only in  
5 the course of the necessary administration of this chapter or upon  
6 the lawful order of a court of competent jurisdiction. The Board and  
7 Commission may reveal such information and data to an authorized  
8 agent of any agency of the United States Government, any state or  
9 any political subdivision of a state or the government of any foreign  
10 country. Notwithstanding any other provision of state law, such  
11 information may not be otherwise revealed without specific  
12 authorization by the Board or Commission.

13 5. Notwithstanding any other provision of state law, any and all  
14 information and data prepared or obtained by an agent or employee  
15 of the Board or Commission relating to an application for a license,  
16 a finding of suitability or any approval that is required pursuant to  
17 the provisions of chapters 462 to 466, inclusive, of NRS or any  
18 regulations adopted pursuant thereto, are confidential and absolutely  
19 privileged and may be revealed in whole or in part only in the  
20 course of the necessary administration of such provisions and with  
21 specific authorization and waiver of the privilege by the Board or  
22 Commission. The Board and Commission may reveal such  
23 information and data to an authorized agent of any agency of the  
24 United States Government, any state or any political subdivision of  
25 a state or the government of any foreign country.

26 6. Before the beginning of each legislative session, the Board  
27 shall submit to the Legislative Commission for its review and for  
28 the use of the Legislature a report on the gross revenue, net revenue  
29 and average depreciation of all licensees, categorized by class of  
30 licensee and geographical area and the assessed valuation of the  
31 property of all licensees, by category, as listed on the assessment  
32 rolls.

33 7. Notice of the content of any information or data furnished or  
34 released pursuant to subsection 4 may be given to any applicant or  
35 licensee in a manner prescribed by regulations adopted by the  
36 Commission.

37 8. The files, records and reports of the Board are open at all  
38 times to inspection by the Commission and its authorized agents.

39 9. All files, records, reports and other information pertaining to  
40 gaming matters in the possession of the Nevada Tax Commission  
41 must be made available to the Board and the Nevada Gaming  
42 Commission as is necessary to the administration of this chapter.

43 ~~H10.—The Nevada Gaming Commission, by the affirmative vote~~  
44 ~~of a majority of its members, may remove from its records the name~~  
45 ~~of a debtor and the amount of tax, penalty and interest, or any of~~



1 ~~them, owed by the debtor, if after 5 years it remains impossible or~~  
2 ~~impracticable to collect such amounts. The Commission shall~~  
3 ~~establish a master file containing the information removed from its~~  
4 ~~official records by this section.]~~

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