
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 all 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.

AN ACT relating to State Financial Administration; revising the process for declaring certain debts owed to the Division of Industrial Relations of the Department of Business and Industry and to the 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 submit to the State Board of
2 Examiners a debt owed to the State that has become impossible or impractical to
3 collect. If the State Board of Examiners concurs that the debt is impossible or
4 impractical to collect, it may designate the debt as a bad debt and the State
5 Controller may remove the debt from the books of account of the State. (NRS
6 353C.220) Under existing law, the Division of Industrial Relations of the
7 Department of Business and Industry, and the Nevada Gaming Commission on
8 behalf of the Gaming Control Board, may remove debts without action of the State
9 Board of Examiners. (NRS 232.550, 463.120) This bill authorizes the State
10 Controller to submit debts of the Division and the Gaming Control Board for
11 designation as bad debts by the State Board of Examiners.



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

44 *3. Upon the designation of a debt as a bad debt pursuant to*
45 *this section, the State Board of Examiners or its Clerk shall*



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

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

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

15 463.120 1. The Board and the Commission shall cause to be
16 made and kept a record of all proceedings at regular and special
17 meetings of the Board and the Commission. These records are open
18 to public inspection.

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

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

25 4. Except as otherwise provided in this section, all information
26 and data:

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

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

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

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

43 (e) Prepared or obtained by an agent or employee of the Board
44 or Commission pursuant to an audit, investigation, determination or
45 hearing,



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

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

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

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

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

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

40 ~~10. The Nevada Gaming Commission, by the affirmative vote~~
41 ~~of a majority of its members, may remove from its records the name~~
42 ~~of a debtor and the amount of tax, penalty and interest, or any of~~
43 ~~them, owed by the debtor, if after 5 years it remains impossible or~~
44 ~~impracticable to collect such amounts. The Commission shall~~



- 1 ~~establish a master file containing the information removed from its~~
- 2 ~~official records by this section.]~~

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