

THE NINETY-THIRD DAY

CARSON CITY (Tuesday), May 10, 2011

Senate called to order at 11:40 a.m.

President Krolicki presiding.

Roll called.

All present.

Prayer by the Chaplain, Pastor Albert Tilstra.

Gracious God, who has the words of eternal life, help us to cultivate proper speech.

May we learn to say what we mean and mean what we say. And may it be worth saying.

Teach us economy in speech that neither wounds nor offends, that affords light without generating heat.

Bridle our tongues lest they stampe us into utterances of which later, we shall be ashamed.

This we ask in Your Name.

AMEN.

Pledge of Allegiance to the Flag.

National Anthem sung by the Carson High School Concert Choir.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 12:10 p.m.

SENATE IN SESSION

At 12:22 p.m.

President Krolicki presiding.

Quorum present.

Senator Horsford moved that further reading of the Journal be dispensed with, and the President and Secretary be authorized to make the necessary corrections and additions.

Motion carried.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 9, 2011

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Assembly Bills Nos. 490, 492, 500.

MATTHEW BAKER

Assistant Chief Clerk of the Assembly

MOTIONS, RESOLUTIONS AND NOTICES

Senator Wiener moved that Senate Bill No. 75; Assembly Bill No. 211 be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

Senator Wiener moved that Senate Bill No. 497 be placed at the top of the General File.

Motion carried.

Senator Wiener moved to proceed to the General File at this time.

Motion carried.

GENERAL FILE AND THIRD READING

Senate Bill No. 497.

Bill read third time.

Remarks by Senators Parks, Settelmeyer, Kieckhefer, McGinness, Roberson, Cegavske, Brower, Denis, Gustavson, Halseth and Hardy.

Senator Settelmeyer requested that the following remarks be entered in the Journal.

SENATOR PARKS:

Senate Bill No. 497 revises the districts for election of members of the Nevada Senate and Assembly and of representatives in the United States House of Representatives.

The measure retains a 21-member Senate. The ideal population in each Senate district is 128,598. The overall range of population deviation is 0.93 percent. The plan eliminates the multi-member Senate districts in Clark County, and includes 15 Senate districts wholly within Clark County and three districts wholly within Washoe County. The remaining three districts contain parts of Clark and Washoe Counties, and the rural counties.

The measure retains a 42-member Assembly. The ideal population in each Assembly district is 64,299. The overall range of population deviation is 1.62 percent. Two Assembly districts are nested within a single Senate district. The plan includes 30 Assembly districts wholly within Clark County and six districts wholly within Washoe County. The remaining six districts contain parts of Clark and Washoe Counties, and the rural counties.

Based on the 2010 United States Census, Nevada has been apportioned a fourth Congressional district. The ideal population in each district is 675,138. The overall range of population deviation is 0.00 percent. Two Congressional districts are wholly contained in Clark County. A third district contains a portion of Clark County and all or parts of rural counties. A fourth district contains all of Washoe County and all or parts of rural counties.

The bill provides for the use of the term "reelect" in the 2012 General Election under certain circumstances. The measure also includes a severability clause.

The bill contains various effective dates for the purposes of filing for office and for nominating and electing members of the Nevada Legislature and the U.S. House of Representatives and for other purposes.

SENATOR SETTELMEYER:

Thank you, Mr. President. I rise in opposition to Senate Bill No. 497. My first objection to this bill is the law itself. It is within our rules, 13.5, compliance with the Voting Rights Act. Currently, in the State of Nevada, 26 percent of the population is Hispanic. They represent 46 percent of the population growth from our last census. Currently, Hispanics in our Senate Chambers have only two seats. The current plan we are discussing today, gives them no clear chances to increase their representation. I object to that. The Republican plan provides four seats, doubling the Hispanics representation. I feel the Democratic plan fractures the Hispanic community. The deviations that were mentioned before on the Democratic plan are unacceptable. In this electronic age, the deviations in the Democratic plan are twice that for the GOP plan. One man, one vote, yet the deviations are double. Section 54 rennumbers the districts, yet six GOP and two Democrats are renumbered. Some renumbering is inevitable in the system. If you look at the Senate, there are two double districts. Those would have to be renumbered. Other than that, no one has to have their numbers changed. I am the representative for the Capital Senatorial District, also known as Senate District No. 17. The provisions of 294A330 are

still adhered to. Within this bill, in Section 54, those 8 individuals will not be able to use the term "reelect." Therefore, I oppose this bill.

SENATOR KIECKHEFER:

For some of the same reasons my colleague spoke of, I oppose this bill as well. It violates the Voting Rights Act and the Equal Protection Clause of the U.S. Constitution. This redistricting plan creates a wedge within the Hispanic community and undermines their ability to elect representatives to this body by fracturing pieces of their community into majority white districts. The Voting Rights Act and the Equal Protection Clause state that we must provide equal representation to members of this State. The plan before us does not do that. The Voting Rights Act states that if it is possible to do so, we must do so. For that reason, I believe this does not conform to the Voting Rights Act. For that reason, I encourage all of the members of this body to vote against it.

SENATOR MCGINNESS:

The Democrat State Senate redistricting plan is certainly interesting. It creates 13 districts likely to elect Democrat candidates. It creates five districts likely to elect Republican candidates. It creates three competitive districts. This Session I thought the goal was to work on creating fair districts where everyone could win. Since 2002, Republicans held a majority in the State Senate for six years and Democrats held a majority for four years. Those involved in redistricting 10 years ago did a good job, although at the time I wondered about it. They drew districts that were fair. They created several competitive districts that have gone back and forth between Republican and Democrat. Ten years ago, our redistricting plan let the voters decide which party would be in the majority. But, not the Democrat plan this year. They want 13 safe Democrat districts. They want 62 percent of the seats in the State Senate guaranteed. For these reasons and others I will vote against Senate Bill No. 497.

SENATOR ROBERSON:

The Democrats' congressional map should outrage anyone who believes that a state's congressional delegation should fairly represent the people in the state. This unfair and blatantly partisan plan virtually guarantees that Democrats will hold 75 percent of the congressional seats in Nevada for the next decade. It is an outrage. By drawing districts that ensure that Democrats will win three out of four congressional seats in every election for the next decade, our colleagues on the other side have shown their true colors. Our colleagues on the other side of the aisle think they should decide which party represents us in Congress, not the people. What are they afraid of, and who have they harmed with this unfair plan? It is clear that those who support the Democrats' congressional plan are afraid to let the people decide who will represent us in Congress. Their plan virtually guarantees that only Democrat primary voters in three districts and only Republican primary voters in one district will decide who represents us in Congress. In 2010, Republican congressional candidates received 6 percent more votes than Democratic candidates in Nevada. Nevadans elected two Republicans and only one Democrat to Congress. The Democrats have brought forth a plan that rejects the will of Nevada voters and creates a plan that ensures that three Democrats and only one Republican will represent Nevada in the U.S. House of Representatives. Under the Democrat plan, there is no role for independent voters. The Democrats are telling more than 20 percent of Nevadans who are registered non-partisan or third party that their votes will not count in any of the four congressional districts that they have drawn. In their haste to draw an unfair congressional map, the Democrats have not only forgotten independents; they have left Hispanics out in the cold. I will vote against this plan because it is a blatant power grab that fails to pass the smell test.

SENATOR CEGAVSKE:

Thank you, Mr. President. I stand in opposition to Senate Bill No. 497 for the reasons that have been stated by my colleagues. We are told, and it is written, that we are supposed to look at the Voting Rights Act. The plan that is before us violates that law. It is an illegal plan. The Republican plan was fair. We asked, "Does it fit within the Voting Rights Act and is it fair?" Yes, we passed both of those tests. We never had a fair chance at having our bill thoroughly discussed. Our plan did not give either party a monopoly on the power for a decade as it has

been the last ten years. Our Republican plan respected the Voting Rights Act and legally created one, majority-Hispanic congressional district, four majority-Hispanic State Senate seats, and eight majority Hispanic Assembly seats. I urge your opposition to this bill.

SENATOR BROWER:

I agree with the comments of the previous speakers. I rise to offer a different perspective on this bill. I have been responsible for enforcing the Voting Rights Act and the Civil Rights Act. Having that responsibility and carrying that out, was one of the great privileges of serving as our United States Attorney. The history of the Voting Rights Act and Civil Rights Act goes back many decades. It was an honor during my time in Washington D.C. with the Department of Justice to sit in the very conference room on the fifth floor of the main justice building where Attorney General Robert F. Kennedy maintained his office, and where the strategy for enforcing the Voting Rights Act and the Civil Rights Act during the 1960s was designed by the Department of Justice, led by Attorney General Kennedy and then Deputy Attorney General Byron White, later an Associate Justice on the Supreme Court. It was the Department of Justice that went to the South when the southern governments would not do it, the southern governors would not do it, and the southern judges would not do it to make certain that the newly enacted Voting Rights Act and the newly enacted Civil Rights Act were enforced. It was not a popular thing to do at that time as we all know from our history. But it was our Department of Justice as mandated by our Congress that went to the South to make certain that the Voting Rights Act and the Civil Rights Act were enforced. I know a little about the Voting Rights Act. This bill, for many of the reasons stated, does not comply with the Voting Rights Act of 1965. Specifically, the fracturing issue that has been described which appears to fracture the Hispanic community in this State, particularly in southern Nevada in a way that undermines the ability of the Hispanic community to have its due representation in these bodies, clearly violates the Voting Rights Act. For that reason, I cannot support this bill.

SENATOR DENIS:

As I listen to the comments, I appreciate my colleagues desire to help my community. However, I know my community. When you discuss the 50 percent plus districts under the Voting Rights Act, you have to show that white voters vote as a block to defeat the non-white candidate. In the State of Nevada, we have elected at least three Latinos or Latinas in this last election, alone. In Assembly district numbers 27, 42 and 18, which are Latino influenced districts, but they are not majority districts. Nevada has proven that Hispanics and other minority candidates have, and can be elected in minority influenced districts with far less than 50 percent voting age population. Packing minorities into as few districts as possible to achieve a standard that has been proven unnecessary dilutes minority influence in remaining districts. We have fought to have an influence in the way things happen in the State of Nevada. By packing us into one district or just a few, we do not have that opportunity. The plan offered today creates a record number of districts that have proven thresholds to elect Hispanics and other minority candidates. That is why it has been supported by countless advocates from our community. No community advocates have favored the Republican packaging scheme.

SENATOR GUSTAVSON:

I oppose this partisan plan set forth by the Democrat Assembly because it exploits the voting process. The process of campaigning for a seat in this Body should be fair and equitable, but Democrats prefer a system of gerrymandering to choose their voters, even before voters have had the opportunity to choose them, thereby minimizing the role of voters in the political process. The Democrat Assembly plan became evident, when at the last minute they revised my map to benefit them and undermine me. Furthermore, I oppose the Democrat Assembly plan because it illegally "fractures" and "packs" Hispanic voters. This plan violates the Voting Rights Act and it is a slap in the face of democracy. Out of 42 seats in the Assembly, the Democrat plan creates only three majority-Hispanic districts. Three districts, how do they achieve this? First, they create two districts where they illegally pack Hispanics. One of their Assembly districts is 73 percent Hispanic and another is 71 percent Hispanic. The Voting Rights Act makes "packing" illegal. "Packing" occurs when a minority group is concentrated into one or more districts so that the group constitutes an overwhelming majority of those districts, thus minimizing the number

of districts in which the minority could elect candidates of its choice. Our Republican plans for Congress, the State Senate and the Assembly do not "pack" Hispanics into districts, nor do our plans "fracture" the Hispanic community. We know that Democrats are guilty of "packing" and "fracturing" because our plan created eight majority-Hispanic Assembly districts. In our plan, no majority-Hispanic Assembly district has a population greater than 59 percent. It is clear that Hispanics deserve far more than three majority-Hispanic seats in the Democrat Assembly plan. As has been stated before the Hispanic community represents 26 percent of Nevada's population. As my colleague from Clark County has stated, Hispanics can be elected in districts that do not have a majority of Hispanic population. I am requesting a hearing and discussion of our plan. I will be voting against the Democrat Assembly plan because it illegally "packs" and "fractures" the Hispanic community. This plan goes against the Voting Rights Act.

SENATOR HALSETH:

Thank you, Mr. President. The Democrat Assembly plan is unfair to the people of Nevada. The Democrat Assembly plan creates 26 districts likely to elect Democrat candidates only creates eight districts likely to elect eight Republican candidates. The Democrat Assembly plan creates eight competitive districts. Is that fair?

Does this plan reflect the views of the Nevada electorate?

In 2010, the Republican gubernatorial candidate received 12 percent more votes than the Democrat.

In 2010, the Republican congressional candidates received 6 percent more votes than the Democrat congressional candidates.

In 2010, Republican State Senate candidates received 15 percent more votes than Democrat State Senate Candidates.

In 2010, Republican Assembly candidates received 10 percent more votes than Democrat Assembly candidates.

In the Democrat Assembly map, 76 percent of the "safe" districts are Democrat and 24 percent of the "safe" districts are Republicans.

I cannot remember a single election when Democrat Assembly candidates received 52 percent more votes than Republican Assembly candidates.

This is not a plan, it is a sham.

I will be voting against the Democrat redistricting plan because it is over-the-top unfair.

SENATOR HARDY:

I appreciate the words of my colleagues. My friends on the other side aisle have chosen to put forth a Congressional map that, quite simply, does not comply with what I consider to be a critical part of the Voting Rights Act.

The map they have chosen ignores the Voting Rights Act's intent to protect the sacred right of fairness in representation. The Voting Rights Act is one of the crown jewels of the civil rights movement.

In Clark County most of the Hispanic community is concentrated in a geographically compact area. You can clearly draw a line encompassing it. We did this in our Republican plan. We created a congressional district that is 50.7 percent Hispanic.

The Democratic plan did not even come close to drawing a Congressional Hispanic majority population district required by the Voting Rights Act.

This plan creates four districts in which whites make up a significant majority. In their proposed congressional district where the Hispanic community has the largest representation, the Hispanic population is still outnumbered by the white community by more than a two-to-one margin.

Any plan that does not begin with an attempt to create a majority-Hispanic district in Clark County fails to adhere to the letter and spirit of the voting Rights Act. It is something that I cannot ignore, in good conscience. According to the Census, more than one out of every four Nevadans is Hispanic. That is a fact.

In our haste to score potential local partisan victories, we should not forget the law, as the drafters of the Democrats' maps appear to have done. Does it not make sense to create a majority Congressional Hispanic district if you can, even if not already compelled to do so by the Voting Rights Act?

Of course, it makes sense and is in keeping with our cherished principles of equal representation under the law in this blessed nation.

It does not make sense to sacrifice the Hispanic people in the quest for three safe Democratic Congressional districts. Turning our back on our vibrant Hispanic brothers and sisters should not trump all other considerations.

I will vote against this plan because this bill fails to follow the law, fails to adequately represent the Hispanic community and fails to use good common sense. I will vote against this plan because it sacrifices everything else for potential partisan gain. This is not legal and it is not right.

Roll call on Senate Bill No. 497:

YEAS—11.

NAYS—Brower, Cegavske, Gustavson, Halseth, Hardy, Kieckhefer, McGinness, Rhoads, Roberson, Settlemeyer—10.

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

Senator Wiener moved that all necessary rules be suspended and that Senate Bill No. 497 be immediately transmitted to the Assembly.

Motion carried unanimously.

Senate Bill No. 445.

Bill read third time.

Roll call on Senate Bill No. 445:

YEAS—21.

NAYS—None.

Senate Bill No. 445 having received a two-thirds majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 450.

Bill read third time.

Roll call on Senate Bill No. 450:

YEAS—21.

NAYS—None.

Senate Bill No. 450 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 472.

Bill read third time.

Roll call on Senate Bill No. 472:

YEAS—21.

NAYS—None.

Senate Bill No. 472 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Senate Bill No. 481.

Bill read third time.

Roll call on Senate Bill No. 481:

YEAS—21.

NAYS—None.

Senate Bill No. 481 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 6.

Bill read third time.

Roll call on Assembly Bill No. 6:

YEAS—21.

NAYS—None.

Assembly Bill No. 6 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 57.

Bill read third time.

Roll call on Assembly Bill No. 57:

YEAS—21.

NAYS—None.

Assembly Bill No. 57 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 150.

Bill read third time.

Roll call on Assembly Bill No. 150:

YEAS—21.

NAYS—None.

Assembly Bill No. 150 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 194.

Bill read third time.

Roll call on Assembly Bill No. 194:

YEAS—21.

NAYS—None.

Assembly Bill No. 194 having received a constitutional majority,
Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 215

Bill read third time.

Roll call on Assembly Bill No. 215:

YEAS—21.

NAYS—None.

Assembly Bill No. 215 having received a constitutional majority, Mr. President declared it passed, as amended.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 226.

Bill read third time.

Roll call on Assembly Bill No. 226:

YEAS—21.

NAYS—None.

Assembly Bill No. 226 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

Assembly Bill No. 350.

Bill read third time.

Roll call on Assembly Bill No. 350:

YEAS—21.

NAYS—None.

Assembly Bill No. 350 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Horsford moved that Assembly Bills Nos. 352, 355, 429, 441, 538, 556, be taken from the General File and be placed on the General File on the next agenda.

Motion carried.

Senator Horsford moved that Senate Bill No. 500; Assembly Bills Nos. 490, 492, 500, 568 be taken from the First Reading File and be placed on the First Reading File on the next agenda.

Motion carried.

Senator Horsford moved that Assembly Bills Nos. 9, 107, 109, 161, 244, 269, 271, 284, 321, 408, be taken from the Second Reading File and be placed on the Second Reading File on the next agenda.

Motion carried.

Senator Horsford moved that the Senate recess until 2:30 p.m.

Motion carried.

Senate in recess at 1:05 p.m.

SENATE IN SESSION

At 2:51 p.m.

President Krolicki presiding.

Quorum present.

MESSAGES FROM THE ASSEMBLY

ASSEMBLY CHAMBER, Carson City, May 10, 2011

To the Honorable the Senate:

I have the honor to inform your honorable body that the Assembly on this day passed Senate Bill No. 497; Assembly Bill No. 568.

MATTHEW BAKER

Assistant Chief Clerk of the Assembly

INTRODUCTION, FIRST READING AND REFERENCE

By the Committee on Legislative Operations and Elections:

Senate Bill No. 500—AN ACT relating to elections; revising the legislative districts from which the members of the Senate and Assembly are elected; revising the districts from which Representatives in the Congress of the United States are elected; and providing other matters properly relating thereto.

Senator Parks moved that the bill be referred to the Committee on Legislative Operations and Elections.

Motion carried.

Assembly Bill No. 490.

Senator Wiener moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 492.

Senator Wiener moved that the bill be referred to the Committee on Finance.

Motion carried.

Assembly Bill No. 500.

Senator Wiener moved that Senate Standing Rule No. 40 be suspended and that the bill be referred to the Committee on Revenue.

Motion carried.

Assembly Bill No. 568.

Senator Wiener moved that the bill be referred to the Committee on Finance.

Motion carried.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Wiener moved that Assembly Bills Nos. 352, 355, 429, 441, 538, 556, be taken from the General File and placed on the General File on the third agenda.

Motion carried.

Senator Wiener moved that Assembly Bills Nos. 9, 107, 109, 161, 244, 269, 271, 284, 321, 408, be taken from the Second Reading File and placed on the Second Reading File on the third agenda.

Motion carried.

Senator Horsford moved that the Senate recess until 3:30 p.m.

Motion carried.

Senate in recess at 2:58 p.m.

SENATE IN SESSION

At 3:46 p.m.

President Krolicki presiding.

Quorum present.

REPORTS OF COMMITTEES

Mr. President:

Your Committee on Finance, to which was referred Assembly Bill No. 568, has had the same under consideration, and begs leave to report the same back with the recommendation: Do pass.

STEVEN A. HORSFORD, *Chair*

Mr. President:

Your Committee on Natural Resources, to which was referred Assembly Concurrent Resolution No. 3, has had the same under consideration, and begs leave to report the same back with the recommendation: Be adopted.

MARK A. MANENDO, *Chair*

MOTIONS, RESOLUTIONS AND NOTICES

Senator Horsford moved that all necessary rules be suspended, that the reading of the bill so far be considered to have fulfilled the requirement for second reading, and that Assembly Bill No. 568 be declared an emergency measure under the Constitution and placed on third reading for final passage on the top of General File.

Motion carried unanimously.

SECOND READING AND AMENDMENT

Assembly Bill No. 9.

Bill read second time and ordered to third reading.

Assembly Bill No. 107.

Bill read second time and ordered to third reading.

Assembly Bill No. 109.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 558.

"SUMMARY—Enacts the amendments to Article 9 of the Uniform Commercial Code. (BDR 8-330)"

"AN ACT relating to secured transactions; enacting the amendments to Article 9 of the Uniform Commercial Code; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

Existing law contains Article 9 of the Uniform Commercial Code, the uniform law governing secured transactions. This bill enacts the 2010 amendments to Article 9.

Sections 2-9 and 25 of this bill provide that the amendments to Article 9 become effective on July 1, 2013, and enact the transitional rules included in those amendments.

Section 10 of this bill enacts the uniform amendments to the definitions of certain terms which are defined for the purposes of Article 9.

Existing law provides that a secured party may perfect a security interest in electronic chattel paper by obtaining control of the electronic chattel paper. **Section 11** of this bill enacts the uniform amendments to the rule governing whether a secured party has such control.

Existing law provides that, in certain circumstances, the law of the jurisdiction in which a debtor is located governs the perfection and priority of a security interest. (NRS 104.9301) **Section 12** of this bill enacts the uniform amendments to the rules for determining the location of an organization that is organized under the law of the United States and the location of a branch or agency of a bank that is not organized under the law of the United States or a state.

Section 13 of this bill enacts the uniform amendments to the rules governing the perfection of a security interest in property covered by a certificate of title.

Section 14 of this bill enacts the uniform amendments governing the perfection of a security interest that attaches before a debtor changes location and the perfection of a security interest when a new debtor becomes bound by a security agreement entered into by another person.

Section 15 of this bill enacts the uniform amendments to certain provisions governing the circumstances under which a buyer of property takes the property free of security interests.

Section 16 of this bill enacts the uniform amendments to provisions concerning the priority of security interests created by a new debtor who becomes bound by a security agreement entered into by another person.

Sections 17 and 18 of this bill enact the uniform amendments to provisions governing the effectiveness of certain contractual terms when a person who has a security interest in certain payment rights enforces the security interest and disposes of the payment rights.

Existing law requires a financing statement to be filed to perfect a security interest in certain circumstances. (NRS 104.9310) To be sufficient, a financing statement must contain the name of the debtor. (NRS 104.9502) **Section 19** of this bill enacts the uniform amendments to the rules for determining whether a financing statement sufficiently provides the name of the debtor. **Section 20** of this bill enacts the uniform amendments to rules governing the effectiveness of a financing statement when, at the time the

financing statement was filed, the debtor's name was sufficiently provided but, at a later date, the debtor's name is no longer sufficiently provided.

Existing law provides that, if a financing statement states that the debtor is a transmitting utility, the financing statement does not lapse and is effective until a termination statement is filed. (NRS 104.9515) **Section 21** of this bill provides that such a financing statement does not lapse only if the initial financing statement states that the debtor is a transmitting utility.

Section 22 of this bill enacts the uniform amendments to the circumstances under which a filing office may refuse to accept a financing statement.

Existing law authorizes a debtor to file a correction statement if the debtor believes that a record indexed under the debtor's name is inaccurate or was wrongfully filed. Under existing law, the correction statement is informational and does not affect the effectiveness of a financing statement. (NRS 104.9518) **Section 23** of this bill enacts the uniform amendment that authorizes a secured party to file ~~to~~ **an information** statement ~~of claim~~ under certain circumstances.

Existing law provides for the rights of a secured party upon a default by a debtor. (NRS 104.9601-104.9628) **Section 24** of this bill enacts the uniform amendment to certain rights held by a person who has a security interest in a payment right secured by real property.

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

Section 1. Chapter 104 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. 1. *Except as otherwise provided in sections 2 to 9, inclusive, of this act, this article as amended applies to a transaction or lien within its scope, even if the transaction or lien was entered into or created before July 1, 2013.*

2. *This article as amended does not affect an action, case or proceeding commenced before July 1, 2013.*

Sec. 3. 1. *A security interest that is a perfected security interest immediately before July 1, 2013, is a perfected security interest under this article if, when this article as amended takes effect, the applicable requirements for attachment and perfection under this article as amended are satisfied without further action.*

2. *Except as otherwise provided in section 5 of this act, if, immediately before July 1, 2013, a security interest is a perfected security interest, but the applicable requirements for perfection under this article as amended are not satisfied on July 1, 2013, the security interest remains perfected thereafter only if the applicable requirements for perfection under this article as amended are satisfied within 1 year after July 1, 2013.*

Sec. 4. *A security interest that is an unperfected security interest immediately before July 1, 2013, becomes a perfected security interest:*

1. *Without further action, on that date if the applicable requirements for perfection under this article as amended are satisfied before or at that time; or*

2. *When the applicable requirements for perfection are satisfied if the requirements are satisfied after that time.*

Sec. 5. 1. *The filing of a financing statement before July 1, 2013, is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under this article as amended.*

2. *This article as amended does not render ineffective an effective financing statement that, before July 1, 2013, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in this article before amendment. However, except as otherwise provided in subsections 3 and 4 and section 6 of this act, the financing statement ceases to be effective:*

(a) *If the financing statement is filed in this State, at the time the financing statement would have ceased to be effective had this article as amended not taken effect; or*

(b) *If the financing statement is filed in another jurisdiction, at the earlier of:*

(1) *The time the financing statement would have ceased to be effective under the law of that jurisdiction; or*

(2) *June 30, 2018.*

3. *The filing of a continuation statement on or after July 1, 2013, does not continue the effectiveness of the financing statement filed before that date. However, upon the timely filing of a continuation statement on or after July 1, 2013, and in accordance with the law of the jurisdiction governing perfection as provided in this article as amended, the effectiveness of a financing statement filed in the same office in that jurisdiction before July 1, 2013, continues for the period provided by the law of that jurisdiction.*

4. *Subparagraph (2) of paragraph (b) of subsection 2 applies to a financing statement that, before July 1, 2013, is filed against a transmitting utility and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in this article before amendment, only to the extent that this article as amended provides that the law of a jurisdiction other than the jurisdiction in which the financing statement is filed governs perfection of a security interest in collateral covered by the financing statement.*

5. *A financing statement that includes a financing statement filed before July 1, 2013, and a continuation statement filed on or after July 1, 2013, is effective only to the extent that it satisfies the requirements of part 5 for an initial financing statement. A financing statement which indicates that the debtor is a decedent's estate indicates that the collateral is being administered by a personal representative within the meaning of paragraph (b) of subsection 1 of NRS 104.9503. A financing statement*

which indicates that the debtor is a trust or a trustee acting with respect to property held in trust indicates that the collateral is held in a trust within the meaning of paragraph (c) of subsection 1 of NRS 104.9503.

Sec. 6. 1. The filing of an initial financing statement in the office specified in NRS 104.9501 continues the effectiveness of a financing statement filed before July 1, 2013, if:

(a) The filing of an initial financing statement in that office would be effective to perfect a security interest under this article as amended;

(b) The pre-effective-date financing statement was filed in an office in another state; and

(c) The initial financing statement satisfies subsection 3.

2. The filing of an initial financing statement under subsection 1 continues the effectiveness of the pre-effective-date financing statement:

(a) If the initial financing statement is filed before July 1, 2013, for the period provided in NRS 104.9515, as it existed before July 1, 2013, with respect to an initial financing statement; and

(b) If the initial financing statement is filed on or after July 1, 2013, for the period provided in NRS 104.9515 with respect to an initial financing statement.

3. To be effective for purposes of subsection 1, an initial financing statement must:

(a) Satisfy the requirements of part 5 for an initial financing statement;

(b) Identify the pre-effective-date financing statement by indicating the office in which the financing statement was filed and providing the dates of filing and file numbers, if any, of the financing statement and of the most recent continuation statement filed with respect to the financing statement; and

(c) Indicate that the pre-effective-date financing statement remains effective.

Sec. 7. 1. In this section, "pre-effective-date financing statement" means a financing statement filed before July 1, 2013.

2. On or after July 1, 2013, a person may add or delete collateral covered by, continue or terminate the effectiveness of, or otherwise amend the information provided in, a pre-effective-date financing statement only in accordance with the law of the jurisdiction governing perfection as provided in this article as amended. However, the effectiveness of a pre-effective-date financing statement also may be terminated in accordance with the law of the jurisdiction in which the financing statement is filed.

3. Except as otherwise provided in subsection 4, if the law of this State governs perfection of a security interest, the information in a pre-effective-date financing statement may be amended on or after July 1, 2013, only if:

(a) The pre-effective-date financing statement and an amendment are filed in the office specified in NRS 104.9501;

(b) An amendment is filed in the office specified in NRS 104.9501 concurrently with, or after the filing in that office of, an initial financing statement that satisfies subsection 3 of section 6 of this act; or

(c) An initial financing statement that provides the information as amended and satisfies subsection 3 of section 6 of this act is filed in the office specified in NRS 104.9501.

4. If the law of this State governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement may be continued only under subsections 3 and 5 of section 5 of this act or section 6 of this act.

5. Whether or not the law of this State governs perfection of a security interest, the effectiveness of a pre-effective-date financing statement filed in this State may be terminated on or after July 1, 2013, by filing a termination statement in the office in which the pre-effective-date financing statement is filed, unless an initial financing statement that satisfies subsection 3 of section 6 of this act has been filed in the office specified by the law of the jurisdiction governing perfection as provided in this article as amended as the office in which to file a financing statement.

Sec. 8. A person may file an initial financing statement or a continuation statement under this part if:

- 1. The secured party of record authorizes the filing; and*
- 2. The filing is necessary under this part:*

(a) To continue the effectiveness of a financing statement filed before July 1, 2013; or

(b) To perfect or continue the perfection of a security interest.

Sec. 9. This article as amended determines the priority of conflicting claims to collateral. However, if the relative priorities of the claims were established before July 1, 2013, this article before amendment determines priority.

Sec. 10. NRS 104.9102 is hereby amended to read as follows:

104.9102 1. In this Article:

(a) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost.

(b) "Account," except as used in "account for," means a right to payment of a monetary obligation, whether or not earned by performance; for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of; for services rendered or to be rendered; for a policy of insurance issued or to be issued; for a secondary obligation incurred or to be incurred; for energy provided or to be provided; for the use or hire of a vessel under a charter or other contract; arising out of the use of a credit or charge card or information contained on or for use with the card; or as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes health-care-insurance receivables. The term does not include rights to payment evidenced by

chattel paper or an instrument; commercial tort claims; deposit accounts; investment property; letter-of-credit rights or letters of credit; or rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card.

(c) "Account debtor" means a person obligated on an account, chattel paper or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper.

(d) "Accounting," except as used in "accounting for," means a record:

(1) Authenticated by a secured party;

(2) Indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(3) Identifying the components of the obligations in reasonable detail.

(e) "Agricultural lien" means an interest, other than a security interest, in farm products:

(1) Which secures payment or performance of an obligation for:

(I) Goods or services furnished in connection with a debtor's farming operation; or

(II) Rent on real property leased by a debtor in connection with its farming operation;

(2) Which is created by statute in favor of a person that:

(I) In the ordinary course of its business furnished goods or services to a debtor in connection with his or her farming operation; or

(II) Leased real property to a debtor in connection with his or her farming operation; and

(3) Whose effectiveness does not depend on the person's possession of the personal property.

(f) "As-extracted collateral" means:

(1) Oil, gas or other minerals that are subject to a security interest that:

(I) Is created by a debtor having an interest in the minerals before extraction; and

(II) Attaches to the minerals as extracted; or

(2) Accounts arising out of the sale at the wellhead or minehead of oil, gas or other minerals in which the debtor had an interest before extraction.

(g) "Authenticate" means:

(1) To sign; or

(2) ~~[To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify himself or herself and adopt or accept a record.]~~ ***With present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol or process.***

(h) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions and trust companies.

(i) "Cash proceeds" means proceeds that are money, checks, deposit accounts or the like.

(j) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. ***The term includes another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.***

(k) "Chattel paper" means a record or records that evidence both a monetary obligation and a security interest in or a lease of specific goods or of specific goods and software used in the goods, or a security interest in or a lease of specific goods and a license of software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel, or records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper. As used in this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods.

(l) "Collateral" means the property subject to a security interest or agricultural lien. The term includes:

- (1) Proceeds to which a security interest attaches;
- (2) Accounts, chattel paper, payment intangibles and promissory notes that have been sold; and
- (3) Goods that are the subject of a consignment.

(m) "Commercial tort claim" means a claim arising in tort with respect to which:

- (1) The claimant is an organization; or
- (2) The claimant is a natural person and the claim:
 - (I) Arose in the course of the claimant's business or profession; and
 - (II) Does not include damages arising out of personal injury to or the death of a natural person.

(n) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer.

(o) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option or another contract if the contract or option is:

- (1) Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or

(2) Traded on a foreign commodity board of trade, exchange or market, and is carried on the books of a commodity intermediary for a commodity customer.

(p) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books.

(q) "Commodity intermediary" means a person that:

(1) Is registered as a futures commission merchant under federal commodities law; or

(2) In the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law.

(r) "Communicate" means:

(1) To send a written or other tangible record;

(2) To transmit a record by any means agreed upon by the persons sending and receiving the record; or

(3) In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule.

(s) "Consignee" means a merchant to which goods are delivered in a consignment.

(t) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:

(1) The merchant:

(I) Deals in goods of that kind under a name other than the name of the person making delivery;

(II) Is not an auctioneer; and

(III) Is not generally known by its creditors to be substantially engaged in selling the goods of others;

(2) With respect to each delivery, the aggregate value of the goods is \$1,000 or more at the time of delivery;

(3) The goods are not consumer goods immediately before delivery; and

(4) The transaction does not create a security interest that secures an obligation.

(u) "Consignor" means a person that delivers goods to a consignee in a consignment.

(v) "Consumer debtor" means a debtor in a consumer transaction.

(w) "Consumer goods" means goods that are used or bought for use primarily for personal, family or household purposes.

(x) "Consumer-goods transaction" means a consumer transaction to the extent that:

(1) A natural person incurs an obligation primarily for personal, family or household purposes; and

(2) A security interest in consumer goods or in consumer goods and software that is held or acquired primarily for personal, family or household purposes secures the obligation.

(y) "Consumer obligor" means an obligor who is a natural person and who incurred the obligation as part of a transaction entered into primarily for personal, family or household purposes.

(z) "Consumer transaction" means a transaction to the extent that a natural person incurs an obligation primarily for personal, family or household purposes; a security interest secures the obligation; and the collateral is held or acquired primarily for personal, family or household purposes. The term includes consumer-goods transactions.

(aa) "Continuation statement" means a change of a financing statement which:

(1) Identifies, by its file number, the initial financing statement to which it relates; and

(2) Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement.

(bb) "Debtor" means:

(1) A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;

(2) A seller of accounts, chattel paper, payment intangibles or promissory notes; or

(3) A consignee.

(cc) "Deposit account" means a demand, time, savings, passbook or similar account maintained with a bank. The term does not include investment property or accounts evidenced by an instrument.

(dd) "Document" means a document of title or a receipt of the type described in subsection 2 of NRS 104.7201.

(ee) "Electronic chattel paper" means chattel paper evidenced by a record or records consisting of information stored in an electronic medium.

(ff) "Encumbrance" means a right, other than an ownership interest, in real property. The term includes mortgages and other liens on real property.

(gg) "Equipment" means goods other than inventory, farm products or consumer goods.

(hh) "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:

(1) Crops grown, growing or to be grown, including:

(I) Crops produced on trees, vines and bushes; and

(II) Aquatic goods produced in aquacultural operations;

(2) Livestock, born or unborn, including aquatic goods produced in aquacultural operations;

(3) Supplies used or produced in a farming operation; or

(4) Products of crops or livestock in their unmanufactured states.

(ii) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation.

(jj) "File number" means the number assigned to an initial financing statement pursuant to subsection 1 of NRS 104.9519.

(kk) "Filing office" means an office designated in NRS 104.9501 as the place to file a financing statement.

(ll) "Filing-office rule" means a rule adopted pursuant to NRS 104.9526.

(mm) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement.

(nn) "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying subsections 1 and 2 of NRS 104.9502. The term includes the filing of a financing statement covering goods of a transmitting utility which are or are to become fixtures.

(oo) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law.

(pp) "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas or other minerals before extraction. The term includes payment intangibles and software.

(qq) "Goods" means all things that are movable when a security interest attaches. The term includes fixtures; standing timber that is to be cut and removed under a conveyance or contract for sale; the unborn young of animals; crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes; and manufactured homes. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if the program is associated with the goods in such a manner that it customarily is considered part of the goods, or by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas or other minerals before extraction.

(rr) "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a state, or a foreign country. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States.

(ss) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided.

(tt) "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of

business is transferred by delivery with any necessary endorsement or assignment. The term does not include investment property, letters of credit or writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

(uu) "Inventory" means goods, other than farm products, which:

- (1) Are leased by a person as lessor;
- (2) Are held by a person for sale or lease or to be furnished under a contract of service;
- (3) Are furnished by a person under a contract of service; or
- (4) Consist of raw materials, work in process, or materials used or consumed in a business.

(vv) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account.

(ww) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is *formed or* organized.

(xx) "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit.

(yy) "Lien creditor" means:

- (1) A creditor that has acquired a lien on the property involved by attachment, levy or the like;
- (2) An assignee for benefit of creditors from the time of assignment;
- (3) A trustee in bankruptcy from the date of the filing of the petition; or
- (4) A receiver in equity from the time of appointment.

(zz) "Manufactured home" means a structure, transportable in one or more sections, which in the traveling mode, is 8 feet or more in body width or 40 feet or more in body length, or, when erected on-site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning and electrical systems contained therein. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code.

(aaa) "Manufactured-home transaction" means a secured transaction:

- (1) That creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or
- (2) In which a manufactured home, other than a manufactured home held as inventory, is the primary collateral.

(bbb) "Mortgage" means a consensual interest in real property, including fixtures, which is created by a mortgage, deed of trust, or similar transaction.

(ccc) "New debtor" means a person that becomes bound as debtor under subsection 4 of NRS 104.9203 by a security agreement previously entered into by another person.

(ddd) "New value" means money; money's worth in property, services or new credit; or release by a transferee of an interest in property previously transferred to the transferee. The term does not include an obligation substituted for another obligation.

(eee) "Noncash proceeds" means proceeds other than cash proceeds.

(fff) "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral, owes payment or other performance of the obligation, has provided property other than the collateral to secure payment or other performance of the obligation, or is otherwise accountable in whole or in part for payment or other performance of the obligation. The term does not include an issuer or a nominated person under a letter of credit.

(ggg) "Original debtor" means, except as used in subsection 3 of NRS 104.9310, a person that, as debtor, entered into a security agreement to which a new debtor has become bound under subsection 4 of NRS 104.9203.

(hhh) "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.

(iii) "Person related to," with respect to a natural person, means:

- (1) The person's spouse;
- (2) The person's brother, brother-in-law, sister or sister-in-law;
- (3) The person's or the person's spouse's ancestor or lineal descendant;

or

(4) Any other relative, by blood or marriage, of the person or the person's spouse who shares the same home with him or her.

(jjj) "Person related to," with respect to an organization, means:

(1) A person directly or indirectly controlling, controlled by or under common control with the organization;

(2) An officer or director of, or a person performing similar functions with respect to, the organization;

(3) An officer or director of, or a person performing similar functions with respect to, a person described in subparagraph (1);

(4) The spouse of a natural person described in subparagraph (1), (2) or (3); or

(5) A person who is related by blood or marriage to a person described in subparagraph (1), (2), (3) or (4) and shares the same home with that person.

(kkk) "Proceeds" means, except as used in subsection 2 of NRS 104.9609, the following property:

(1) Whatever is acquired upon the sale, lease, license, exchange or other disposition of collateral;

- (2) Whatever is collected on, or distributed on account of, collateral;
- (3) Rights arising out of collateral;
- (4) To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; and
- (5) To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral.

(lll) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(mmm) "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to NRS 104.9620, 104.9621 and 104.9622.

(nnn) "Public-finance transaction" means a secured transaction in connection with which:

- (1) Debt securities are issued;
- (2) All or a portion of the securities issued have an initial stated maturity of at least 20 years; and
- (3) The debtor, the obligor, the secured party, the account debtor or other person obligated on collateral, the assignor or assignee of a secured obligation, or the assignor or assignee of a security interest is a state or a governmental unit of a state.

(ooo) "**Public organic record**" means a record that is available to the public for inspection and is:

(1) A record consisting of the record initially filed with or issued by a state or the United States to form or organize an organization and any record filed with or issued by the state or the United States which amends or restates the initial record;

(2) An organic record of a business trust consisting of the record initially filed with a state and any record filed with the state which amends or restates the initial record, if a statute of the state governing business trusts requires that the record be filed with the state; or

(3) A record consisting of legislation enacted by the legislature of a state or the Congress of the United States which forms or organizes an organization, any record amending the legislation and any record filed with or issued by the state or the United States which amends or restates the name of the organization.

(ppp) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not

within the secured party's control has relieved or may relieve the secured party from its obligation.

~~{(ppp)}~~ **(qqq)** "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form.

~~{(qqq)}~~ **(rrr)** "Registered organization" means an organization *formed or* organized solely under the law of a single state or the United States ~~and as to which the state or the United States must maintain a public record showing the organization to have been organized.~~

~~{(rrr)}~~ *by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by the state or the United States. The term includes a business trust that is formed or organized under the law of a single state if a statute of the state governing business trusts requires that the business trust's organic record be filed with the state.*

(sss) "Secondary obligor" means an obligor to the extent that:

- (1) The obligor's obligation is secondary; or
- (2) The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor or property of either.

~~{(sss)}~~ **(ttt)** "Secured party" means:

- (1) A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;
- (2) A person that holds an agricultural lien;
- (3) A consignor;
- (4) A person to which accounts, chattel paper, payment intangibles or promissory notes have been sold;
- (5) A trustee, indenture trustee, agent, collateral agent or other representative in whose favor a security interest or agricultural lien is created or provided for; or
- (6) A person that holds a security interest arising under NRS 104.2401, 104.2505, subsection 3 of NRS 104.2711, NRS 104.4210, 104.5118 or subsection 5 of NRS 104A.2508.

~~{(ttt)}~~ **(uuu)** "Security agreement" means an agreement that creates or provides for a security interest.

~~{(uuu)}~~ **(vvv)** "Send," in connection with a record or notification, means:

- (1) To deposit in the mail, deliver for transmission or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or

(2) To cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (1).

~~{(vvv)}~~ **(www)** "Software" means a computer program and any supporting information provided in connection with a transaction relating to the

program. The term does not include a computer program that is contained in goods unless the goods are a computer or computer peripheral.

~~{(www)}~~ **(xx)** "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

~~{(xxx)}~~ **(yy)** "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, document, general intangible, instrument or investment property.

~~{(yyy)}~~ **(zz)** "Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.

~~{(zzz)}~~ **(aaa)** "Termination statement" means a subsequent filing which:

(1) Identifies, by its file number, the initial financing statement to which it relates; and

(2) Indicates either that it is a termination statement or that the identified financing statement is no longer effective.

~~{(aaa)}~~ **(bbb)** "Transmitting utility" means a person primarily engaged in the business of:

(1) Operating a railroad, subway, street railway or trolley bus;

(2) Transmitting communications electrically, electromagnetically or by light;

(3) Transmitting goods by pipeline;

(4) Providing sewerage; or

(5) Transmitting or producing and transmitting electricity, steam, gas or water.

2. "Control" as provided in NRS 104.7106 and the following definitions in other Articles apply to this Article:

"Applicant." NRS 104.5102.

"Beneficiary." NRS 104.5102.

"Broker." NRS 104.8102.

"Certificated security." NRS 104.8102.

"Check." NRS 104.3104.

"Clearing corporation." NRS 104.8102.

"Contract for sale." NRS 104.2106.

"Customer." NRS 104.4104.

"Entitlement holder." NRS 104.8102.

"Financial asset." NRS 104.8102.

"Holder in due course." NRS 104.3302.

"Issuer" (with respect to a letter of credit or letter-of-credit right). NRS 104.5102.

"Issuer" (with respect to a security). NRS 104.8201.

"Issuer" (with respect to documents of title). NRS 104.7102.

"Lease." NRS 104A.2103.

"Lease agreement." NRS 104A.2103.

"Lease contract." NRS 104A.2103.
 "Leasehold interest." NRS 104A.2103.
 "Lessee." NRS 104A.2103.
 "Lessee in ordinary course of business." NRS 104A.2103.
 "Lessor." NRS 104A.2103.
 "Lessor's residual interest." NRS 104A.2103.
 "Letter of credit." NRS 104.5102.
 "Merchant." NRS 104.2104.
 "Negotiable instrument." NRS 104.3104.
 "Nominated person." NRS 104.5102.
 "Note." NRS 104.3104.
 "Proceeds of a letter of credit." NRS 104.5114.
 "Prove." NRS 104.3103.
 "Sale." NRS 104.2106.
 "Securities account." NRS 104.8501.
 "Securities intermediary." NRS 104.8102.
 "Security." NRS 104.8102.
 "Security certificate." NRS 104.8102.
 "Security entitlement." NRS 104.8102.
 "Uncertificated security." NRS 104.8102.

3. Article 1 contains general definitions and principles of construction and interpretation applicable throughout this Article.

Sec. 11. NRS 104.9105 is hereby amended to read as follows:

104.9105 **1.** A secured party has control of electronic chattel paper if *a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.*

2. *A system satisfies subsection 1 if the record or records comprising the chattel paper are created, stored and assigned in such a manner that:*

~~1-1~~ **(a)** A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in ~~subsections 4, 5 and 6,~~ *paragraphs (d), (e) and (f),* unalterable;

~~2-1~~ **(b)** The authoritative copy identifies the secured party as the assignee of the record or records;

~~3-1~~ **(c)** The authoritative copy is communicated to and maintained by the secured party or its designated custodian;

~~4-1~~ **(d)** Copies or ~~revisions~~ **amendments** that add or change an identified assignee of the authoritative copy can be made only with the ~~participation~~ **consent** of the secured party;

~~5-1~~ **(e)** Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

~~6-1~~ **(f)** Any ~~revision~~ **amendment** of the authoritative copy is readily identifiable as ~~an~~ authorized or unauthorized ~~revision~~.

Sec. 12. NRS 104.9307 is hereby amended to read as follows:

104.9307 1. In this section, "place of business" means a place where a debtor conducts its affairs.

2. Except as otherwise provided in this section, the following rules determine a debtor's location:

(a) A natural person is located at his or her residence.

(b) Any other debtor having only one place of business is located at its place of business.

(c) Any other debtor having more than one place of business is located at its chief executive office.

3. Subsection 2 applies only if a debtor's residence, place of business or chief executive office, as applicable, is located in a jurisdiction whose law requires information concerning the existence of a nonpossessory security interest to be made generally available in a filing, recording or registration system as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. If subsection 2 does not apply, the debtor is deemed to be located in the District of Columbia.

4. A person that ceases to exist, have a residence or have a place of business continues to be located in the jurisdiction specified by subsections 2 and 3.

5. A registered organization that is organized under the law of a state is located in that state.

6. Except as otherwise provided in subsection 9, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located or deemed to be located:

(a) In the state that the law of the United States designates, if the law designates a state of location;

(b) In the state that the registered organization, branch or agency designates, if the law of the United States authorizes the registered organization, branch or agency to designate its state of location ~~[-]~~ , **including by designating its main office, home office or other comparable office;** or

(c) In the District of Columbia, if neither paragraph (a) nor paragraph (b) applies.

7. A registered organization continues to be located in the jurisdiction specified by subsection 5 or 6 notwithstanding:

(a) The suspension, revocation, forfeiture or lapse of the registered organization's status as such in its jurisdiction of organization; or

(b) The dissolution, winding up or cancellation of the existence of the registered organization.

8. The United States is deemed to be located in the District of Columbia.

9. A branch or agency of a bank that is not organized under the law of the United States or a state is located in the state in which the branch or

agency is licensed, if all branches and agencies of the bank are licensed in only one state.

10. A foreign air carrier under the Federal Aviation Act of 1958, as amended, is located at the designated office of the agent upon which service of process may be made on behalf of the carrier.

11. This section applies only for purposes of this part.

Sec. 13. NRS 104.9311 is hereby amended to read as follows:

104.9311 1. Except as otherwise provided in subsection 4, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(a) A statute, regulation or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt subsection 1 of NRS 104.9310;

(b) Chapter 105 of NRS, NRS 482.423 to 482.431, inclusive, 488.1793 to 488.1827, inclusive, and 489.501 to 489.581, inclusive; or

(c) A ~~certificate of title~~ statute of another jurisdiction which provides for a security interest to be indicated on ~~the~~ a certificate *of title* as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

2. Compliance with the requirements of a statute, regulation or treaty described in subsection 1 for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection 4, NRS 104.9313 and subsections 4 and 5 of NRS 104.9316 for goods covered by a certificate of title, a security interest in property subject to a statute, regulation or treaty described in subsection 1 may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

3. Except as otherwise provided in subsection 4 and subsections 4 and 5 of NRS 104.9316, duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation or treaty described in subsection 1 are governed by the statute, regulation or treaty. In other respects, the security interest is subject to this article.

4. During any period in which collateral subject to a statute specified in paragraph (b) of subsection 1 is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person.

Sec. 14. NRS 104.9316 is hereby amended to read as follows:

104.9316 1. A security interest perfected pursuant to the law of the jurisdiction designated in subsection 1 of NRS 104.9301 or subsection 3 of NRS 104.9305 remains perfected until the earliest of:

(a) The time perfection would have ceased under the law of that jurisdiction;

(b) The expiration of 4 months after a change of the debtor's location to another jurisdiction; or

(c) The expiration of 1 year after a transfer of collateral to a person that thereby becomes a debtor and is located in another jurisdiction.

2. If a security interest described in subsection 1 becomes perfected under the law of the other jurisdiction before the earliest time or event described in that subsection, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earliest time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

3. A possessory security interest in collateral, other than goods covered by a certificate of title and as-extracted collateral consisting of goods, remains continuously perfected if:

(a) The collateral is located in one jurisdiction and subject to a security interest perfected under the law of that jurisdiction;

(b) Thereafter the collateral is brought into another jurisdiction; and

(c) Upon entry into the other jurisdiction, the security interest is perfected under the law of the other jurisdiction.

4. Except as otherwise provided in subsection 5, a security interest in goods covered by a certificate of title which is perfected by any method under the law of another jurisdiction when the goods become covered by a certificate of title from this State remains perfected until the security interest would have become unperfected under the law of the other jurisdiction had the goods not become so covered.

5. A security interest described in subsection 4 becomes unperfected as against a purchaser of the goods for value and is deemed never to have been perfected as against a purchaser of the goods for value if the applicable requirements for perfection under subsection 2 of NRS 104.9311 or under NRS 104.9313 are not satisfied before the earlier of:

(a) The time the security interest would have become unperfected under the law of the other jurisdiction had the goods not become covered by a certificate of title from this State; or

(b) The expiration of 4 months after the goods had become so covered.

6. A security interest in deposit accounts, letter-of-credit rights or investment property which is perfected under the law of the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

(a) The time the security interest would have become unperfected under the law of that jurisdiction; or

(b) The expiration of 4 months after a change of the applicable jurisdiction to another jurisdiction.

7. If a security interest described in subsection 6 becomes perfected under the law of the other jurisdiction before the earlier of the time or the end of the period described in that subsection, it remains perfected thereafter. If

the security interest does not become perfected under the law of the other jurisdiction before the earlier of that time or the end of that period, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

8. *The following rules apply to collateral to which a security interest attaches within 4 months after the debtor changes its location to another jurisdiction:*

(a) A financing statement filed before the change pursuant to the law of the jurisdiction designated in subsection 1 of NRS 104.9301 or subsection 3 of NRS 104.9305 is effective to perfect a security interest in the collateral if the financing statement would have been effective to perfect a security interest in the collateral if the debtor had not changed its location.

(b) If a security interest perfected by a financing statement that is effective under paragraph (a) becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in subsection 1 of NRS 104.9301 or subsection 3 of NRS 104.9305 or the expiration of the 4-month period, it remains perfected thereafter. If the security interest does not become perfected under the law of the other jurisdiction before the earlier time or event, it becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

9. *If a financing statement naming an original debtor is filed pursuant to the law of the jurisdiction designated in subsection 1 of NRS 104.9301 or subsection 3 of NRS 104.9305 and the new debtor is located in another jurisdiction, the following rules apply:*

(a) The financing statement is effective to perfect a security interest in collateral acquired by the new debtor before, and within 4 months after, the new debtor becomes bound under subsection 4 of NRS 104.9203, if the financing statement would have been effective to perfect a security interest in the collateral had the collateral been acquired by the original debtor.

(b) A security interest perfected by the financing statement which becomes perfected under the law of the other jurisdiction before the earlier of the time the financing statement would have become ineffective under the law of the jurisdiction designated in subsection 1 of NRS 104.9301 or subsection 3 of NRS 104.9305 or the expiration of the 4-month period remains perfected thereafter. A security interest that is perfected by the financing statement but which does not become perfected under the law of the other jurisdiction before the earlier time or event becomes unperfected and is deemed never to have been perfected as against a purchaser of the collateral for value.

Sec. 15. NRS 104.9317 is hereby amended to read as follows:

104.9317 1. A security interest or agricultural lien is subordinate to the rights of:

(a) A person entitled to priority under NRS 104.9322; and

(b) A person that becomes a lien creditor before the earlier of the time:

- (1) The security interest or agricultural lien is perfected; or
- (2) One of the conditions specified in paragraph (c) of subsection 2 of NRS 104.9203 is met and a financing statement covering the collateral is filed.

2. Except as otherwise provided in subsection 5, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a ~~security certificate~~ **certificated security** takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

3. Except as otherwise provided in subsection 5, a lessee of goods takes free of a security interest or agricultural lien if the lessee gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

4. A licensee of a general intangible or a buyer, other than a secured party, of ~~accounts, electronic chattel paper, electronic documents, general intangibles or investment property~~ **collateral** other than **tangible chattel paper, tangible documents, goods, instruments or** a certificated security takes free of a security interest if the licensee gives value without knowledge of the security interest and before it is perfected.

5. Except as otherwise provided in NRS 104.9320 and 104.9321, if a person files a financing statement with respect to a purchase-money security interest before or within 20 days after the debtor receives delivery of the collateral, the security interest takes priority over the rights of a buyer, lessee or lien creditor which arise between the time the security interest attaches and the time of filing.

Sec. 16. NRS 104.9326 is hereby amended to read as follows:

104.9326 1. Subject to subsection 2, a security interest **that is** created by a new debtor ~~which is~~ **in collateral in which the new debtor has or acquires rights and is** perfected **solely** by a filed financing statement that ~~is effective solely under NRS 104.9508 in collateral in which a new debtor has or acquires rights~~ **would be ineffective to perfect the security interest but for the application of paragraph (a) of subsection 9 of NRS 104.9316 or NRS 104.9508** is subordinate to a security interest in the same collateral which is perfected other than by **such** a filed financing statement . ~~that is effective solely under that section.~~

2. The other provisions of this part determine the priority among conflicting security interests in the same collateral perfected by filed financing statements ~~that are effective solely under NRS 104.9508.~~ **described in subsection 1.** However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

Sec. 17. NRS 104.9406 is hereby amended to read as follows:

104.9406 1. Subject to subsections 2 to 8, inclusive, an account debtor on an account, chattel paper or a payment intangible may discharge its obligation by paying the assignor until, but not after, the account debtor receives a notification, authenticated by the assignor or the assignee, that the amount due or to become due has been assigned and that payment is to be made to the assignee. After receipt of the notification, the account debtor may discharge its obligation by paying the assignee and may not discharge the obligation by paying the assignor.

2. Subject to subsection 8, notification is ineffective under subsection 1:

(a) If it does not reasonably identify the rights assigned;

(b) To the extent that an agreement between an account debtor and a seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this article; or

(c) At the option of an account debtor, if the notification notifies the account debtor to make less than the full amount of any installment or other periodic payment to the assignee, even if:

(1) Only a portion of the account, chattel paper or payment intangible has been assigned to that assignee;

(2) A portion has been assigned to another assignee; or

(3) The account debtor knows that the assignment to that assignee is limited.

3. Subject to subsection 8, if requested by the account debtor, an assignee shall seasonably furnish reasonable proof that the assignment has been made. Unless the assignee complies, the account debtor may discharge its obligation by paying the assignor, even if the account debtor has received a notification under subsection 1.

4. Except as otherwise provided in subsection 5 and NRS 104.9407 and 104A.2303, and subject to subsection 8, a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

(a) Prohibits, restricts or requires the consent of the account debtor or person obligated on the promissory note to the assignment or transfer of, or the creation, attachment, perfection or enforcement of a security interest in, the account, chattel paper, payment intangible or promissory note; or

(b) Provides that the assignment or transfer, or the creation, attachment, perfection or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account, chattel paper, payment intangible or promissory note.

5. Subsection 4 does not apply to the sale of a payment intangible or promissory note ~~+~~, ***other than a sale pursuant to a disposition under NRS 104.9610 or an acceptance of collateral under NRS 104.9620.***

6. Subject to subsections 7 and 8, a rule of law, statute, or regulation, that prohibits, restricts, or requires the consent of a government, governmental

body or official, or account debtor to the assignment or transfer of, or creation of a security interest in, an account or chattel paper is ineffective to the extent that the rule of law, statute or regulation:

(a) Prohibits, restricts, or requires the consent of the government, governmental body or official, or account debtor to the assignment or transfer of, or the creation, attachment, perfection, or enforcement of a security interest in, the account or chattel paper; or

(b) Provides that the assignment or transfer, or the creation, attachment, perfection, or enforcement of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination, or remedy under the account or chattel paper.

7. Subject to subsection 8, an account debtor may not waive or vary its option under paragraph (c) of subsection 2.

8. This section is subject to law other than this article which establishes a different rule for an account debtor who is ~~an individual~~ **a natural person** and who incurred the obligation primarily for personal, family or household purposes.

9. This section does not apply to an assignment of a health-care-insurance receivable or to a transfer of a right to receive payments pursuant to NRS 42.030.

Sec. 18. NRS 104.9408 is hereby amended to read as follows:

104.9408 1. Except as otherwise provided in subsection 2, a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or a general intangible, including a contract, permit, license or franchise, and prohibits, restricts or requires the consent of the person obligated on the promissory note or the account debtor to, the assignment or transfer of, or creation, attachment, or perfection of a security interest in, the promissory note, health-care-insurance receivable or general intangible, is ineffective to the extent that the term:

(a) Would impair the creation, attachment or perfection of a security interest; or

(b) Provides that the assignment or transfer, or the creation, attachment or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy under the promissory note, health-care-insurance receivable or general intangible.

2. Subsection 1 applies to a security interest in a payment intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note ~~+~~, **other than a sale pursuant to a disposition under NRS 104.9610 or an acceptance of collateral under NRS 104.9620.**

3. A rule of law, statute, or regulation that prohibits, restricts, or requires the consent of a government, governmental body or official, person obligated on a promissory note, or account debtor to the assignment or transfer of, or creation of a security interest in, a promissory note, health-care-insurance

receivable or general intangible, including a contract, permit, license or franchise between an account debtor and a debtor, is ineffective to the extent that the rule of law, statute or regulation:

(a) Would impair the creation, attachment or perfection of a security interest; or

(b) Provides that the assignment or transfer, or the creation, attachment or perfection of the security interest may give rise to a default, breach, right of recoupment, claim, defense, termination, right of termination or remedy under the promissory note, health-care-insurance receivable or general intangible.

4. To the extent that a term in a promissory note or in an agreement between an account debtor and a debtor which relates to a health-care-insurance receivable or general intangible or a rule of law, statute, or regulation described in subsection 3 would be effective under law other than this article but is ineffective under subsection 1 or 3, the creation, attachment or perfection of a security interest in the promissory note health-care-insurance receivable or general intangible:

(a) Is not enforceable against the person obligated on the promissory note or the account debtor;

(b) Does not impose a duty or obligation on the person obligated on the promissory note or the account debtor;

(c) Does not require the person obligated on the promissory note or the account debtor to recognize the security interest, pay or render performance to the secured party or accept payment or performance from the secured party;

(d) Does not entitle the secured party to use or assign the debtor's rights under the promissory note, health-care-insurance receivable or general intangible, including any related information or materials furnished to the debtor in the transaction giving rise to the promissory note, health-care-insurance receivable or general intangible;

(e) Does not entitle the secured party to use, assign, possess or have access to any trade secrets or confidential information of the person obligated on the promissory note or the account debtor; and

(f) Does not entitle the secured party to enforce the security interest in the promissory note, health-care-insurance receivable or general intangible.

Sec. 18.5. NRS 104.9502 is hereby amended to read as follows:

104.9502 1. Subject to subsection 2, a financing statement is sufficient only if it:

(a) Provides the name of the debtor;

(b) Provides the name of the secured party or a representative of the secured party; and

(c) Indicates the collateral covered by the financing statement.

2. Except as otherwise provided in subsection 2 of NRS 104.9501, to be sufficient, a financing statement that covers as-extracted collateral or timber

to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:

- (a) Indicate that it covers this type of collateral;
- (b) Indicate that it is to be filed for record in the real property records;
- (c) Provide a description of the real property to which the collateral is related sufficient to give constructive notice of the mortgage under the law of this State if the description were contained in a mortgage of the real property; and
- (d) If the debtor does not have an interest of record in the real property, provide the name of a record owner.

3. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:

- (a) The record indicates the goods or accounts that it covers;
- (b) The goods are or are to become fixtures related to the real property described in the mortgage or the collateral is related to the real property described in the mortgage and is as-extracted collateral or timber to be cut;
- (c) The record satisfies the requirements for a financing statement in this section ~~other than an indication~~ **but:**

(1) ***The record need not indicate*** that it is to be filed in the real property records; and

(2) ***The record sufficiently provides the name of a debtor who is a natural person if it provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is a natural person to whom paragraph (d) of subsection 1 of NRS 104.9503 applies; and***

(d) The mortgage is recorded.

4. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.

Sec. 19. NRS 104.9503 is hereby amended to read as follows:

104.9503 1. A financing statement sufficiently provides the name of the debtor:

(a) ~~if~~ ***Except as otherwise provided in paragraph (c), if*** the debtor is a registered organization ~~or the collateral is held in a trust that is a registered organization,~~ only if the financing statement provides the name ~~of the debtor indicated~~ ***that is stated to be the registered organization's name*** on the public ***organic*** record ~~of~~ ***most recently filed with or issued or enacted by the*** ~~debtor's~~ ***registered organization's*** jurisdiction of organization which ~~shows the debtor to have been organized;~~ ***purports to state, amend or restate the registered organization's name;***

(b) ~~if the debtor is a decedent's estate,~~ ***Subject to subsection 6, if the collateral is being administered by the personal representative of a decedent,*** only if the financing statement provides ***, as the name of the debtor,*** the name of the decedent and ***, in a separate part of the financing***

statement, indicates that the ~~{debtor is an estate;}~~ *collateral is being administered by a personal representative;*

(c) If the ~~{debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement:~~

— (1) Provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and

— (2) Indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and} *collateral is held in a trust that is not a registered organization, only if the financing statement:*

(1) Provides, as the name of the debtor:

(I) If the organic record of the trust specifies a name for the trust, the name so specified; or

(II) If the organic record of the trust does not specify a name for the trust, the name of the settlor or testator; and

(2) In a separate part of the financing statement:

(I) If the name is provided in accordance with sub-subparagraph (I) of subparagraph (1), indicates that the collateral is held in a trust; or

(II) If the name is provided in accordance with sub-subparagraph (II) of subparagraph (1), provides additional information sufficient to distinguish the trust from other trusts having one or more of the same settlors or the same testator and indicates that the collateral is held in a trust, unless the additional information so indicates;

(d) *Subject to subsection 7, if the debtor is a natural person to whom this State ~~for any other state~~ has issued a driver's license that has not expired or to whom the agency of this State that issues driver's licenses has issued, in lieu of a driver's license, a personal identification card that has not expired, ~~for to whom the Federal Government has issued an identification card that has not expired,~~ only if the financing statement provides the name of the natural person which is indicated on the driver's license or personal identification card;*

(e) *If the debtor is a natural person to whom paragraph (d) does not apply, only if the financing statement provides the individual name of the debtor or the surname and first personal name of the debtor; and*

(f) In other cases:

(1) If the debtor has a name, only if ~~{it}~~ *the financing statement* provides the *organizational* name of the debtor ; ~~{as a natural person or an organization;}~~ and

(2) If the debtor does not have a name, only if ~~{it}~~ *the financing statement* provides the names of the partners, members, associates or other persons comprising the debtor ~~{it}~~ , *in a manner that each name provided would be sufficient if the person named were the debtor.*

2. A financing statement that provides the name of the debtor in accordance with subsection 1 is not rendered ineffective by the absence of:

- (a) A trade name or other name of the debtor; or
- (b) Unless required under subparagraph (2) of paragraph ~~[(d)] (f)~~ of subsection 1, names of partners, members, associates or other persons comprising the debtor.

3. A financing statement that provides only the debtor's trade name does not sufficiently provide the name of the debtor.

4. Failure to indicate the representative capacity of a secured party or representative of a secured party does not affect the sufficiency of a financing statement.

5. A financing statement may provide the name of more than one debtor and the name of more than one secured party.

6. *The name of the decedent indicated on the order appointing the personal representative of the decedent issued by the court having jurisdiction over the collateral is sufficient as the "name of the decedent" under paragraph (b) of subsection 1.*

7. *If this State ~~or any other state or the Federal Government~~ has issued to a natural person more than one driver's license or, if none, more than one personal identification card, of a kind described in paragraph (d) of subsection 1, ~~for if a person has been issued both a driver's license and an identification card of the kind described in paragraph (d) of subsection 1,~~ the ~~former~~ driver's license or personal identification card, as applicable, that was issued most recently is the one to which paragraph (d) of subsection 1 refers.*

8. *In this section, the "name of the settlor or testator" means:*

(a) *If the settlor is a registered organization, the name that is stated to be the settlor's name on the public organic record most recently filed with or issued or enacted by the registered settlor's jurisdiction of organization which purports to state, amend or restate the settlor's name; or*

(b) *In other cases, the name of the settlor or testator indicated in the trust's organic record.*

Sec. 20. NRS 104.9507 is hereby amended to read as follows:

104.9507 1. A filed financing statement remains effective with respect to collateral that is sold, exchanged, leased, licensed or otherwise disposed of and in which a security interest or agricultural lien continues, even if the secured party knows of or consents to the disposition.

2. Except as otherwise provided in subsection 3 and NRS 104.9508, a financing statement is not rendered ineffective if, after the financing statement is filed, the information provided in the financing statement becomes seriously misleading under NRS 104.9506.

3. If ~~in a debtor so changes its~~ *the name that a filed financing statement provides for a debtor becomes insufficient as the name of the debtor under subsection 1 of NRS 104.9503 so that the financing statement becomes seriously misleading under NRS 104.9506:*

(a) The financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within 4 months after, the ~~change,~~ **filed financing statement becomes seriously misleading;** and

(b) The financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than 4 months after the ~~change,~~ **filed financing statement becomes seriously misleading,** unless an amendment to the financing statement which renders the financing statement not seriously misleading is filed within 4 months after ~~the change,~~ **the financing statement became seriously misleading.**

Sec. 21. NRS 104.9515 is hereby amended to read as follows:

104.9515 1. Except as otherwise provided in subsections 2, 5, 6 and 7, a filed financing statement is effective for a period of 5 years after the date of filing.

2. Except as otherwise provided in subsections 5, 6 and 7, an initial financing statement filed in connection with a public-finance transaction or manufactured-home transaction is effective for a period of 30 years after the date of filing if it indicates that it is filed in connection with a public-finance transaction or manufactured-home transaction.

3. The effectiveness of a filed financing statement lapses on the expiration of the period of its effectiveness unless before the lapse a continuation statement is filed pursuant to subsection 4. Upon lapse, a financing statement ceases to be effective and any security interest or agricultural lien that was perfected by the financing statement becomes unperfected, unless the security interest is perfected otherwise. If the security interest or agricultural lien becomes unperfected upon lapse, it is deemed never to have been perfected as against a purchaser of the collateral for value.

4. A continuation statement may be filed only within 6 months before the expiration of the 5-year period specified in subsection 1 or the 30-year period specified in subsection 2, whichever is applicable.

5. Except as otherwise provided in NRS 104.9510, upon timely filing of a continuation statement, the effectiveness of the initial financing statement continues for a period of 5 years commencing on the day on which the financing statement would have become ineffective in the absence of the filing. Upon the expiration of the 5-year period, the financing statement lapses in the same manner as provided in subsection 3, unless, before the lapse, another continuation statement is filed pursuant to subsection 4. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the initial financing statement.

6. If a debtor is a transmitting utility and a filed **initial** financing statement so indicates, the financing statement is effective until a termination statement is filed.

7. A real property mortgage that is effective as a fixture filing under subsection 3 of NRS 104.9502 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real property.

Sec. 22. NRS 104.9516 is hereby amended to read as follows:

104.9516 1. Except as otherwise provided in subsection 2, communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

2. Filing does not occur with respect to a record that a filing office refuses to accept because:

(a) The record is not communicated by a method or medium of communication authorized by the filing office;

(b) An amount equal to or greater than the applicable filing fee is not tendered;

(c) The filing office is unable to index the record because:

(1) In the case of an initial financing statement, the record does not provide a name for the debtor;

(2) In the case of an amendment or ~~correction~~ **information** statement ~~of claim~~, the record:

(I) Does not identify the initial financing statement as required by NRS 104.9512 or 104.9518, as applicable; or

(II) Identifies an initial financing statement whose effectiveness has lapsed under NRS 104.9515;

(3) In the case of an initial financing statement that provides the name of a debtor identified as a natural person or an amendment that provides a name of a debtor identified as a natural person which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's ~~last name;~~ **surname**; or

(4) In the case of a record filed or recorded in the filing office described in paragraph (a) of subsection 1 of NRS 104.9501, the record does not provide a sufficient description of the real property to which it relates;

(d) In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(e) In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(1) Provide a mailing address for the debtor; **or**

(2) Indicate whether the **name provided as the name of the** debtor is **the name of** a natural person or an organization; ~~for~~

~~(3) If the financing statement indicates that the debtor is an organization, provide:~~

~~(I) A type of organization for the debtor;~~

~~(II) A jurisdiction of organization for the debtor; or~~

~~(III) An organizational identification number for the debtor or indicate that the debtor has none;~~

(f) In the case of an assignment reflected in an initial financing statement under subsection 1 of NRS 104.9514 or an amendment filed under

subsection 2 of that section, the record does not provide a name and mailing address for the assignee; ~~or~~

(g) In the case of a continuation statement, the record is not filed within the 6-month period prescribed by subsection 4 of NRS 104.9515 ~~+~~; *or*

(h) The record lists a public official of a governmental unit as a debtor and the public official has not authorized the filing of the information in an authenticated record as required pursuant to NRS 104.9509.

3. For purposes of subsection 2:

(a) A record does not provide information if the filing office is unable to read or decipher the information; and

(b) A record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by NRS 104.9512, 104.9514 or 104.9518, is an initial financing statement.

4. A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection 2, is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

Sec. 23. NRS 104.9518 is hereby amended to read as follows:

104.9518 1. A person may file in the filing office ~~to~~ ~~correction~~ an information statement ~~of claim~~ with respect to a record indexed there under his or her name if the person believes that the record is inaccurate or was wrongfully filed.

2. ~~A~~ ~~correction~~ An information statement ~~of claim~~ under subsection 1 must:

(a) Identify the record to which it relates by:

(1) The file number assigned to the initial financing statement to which the record relates; and

(2) If the ~~correction~~ information statement ~~of claim~~ relates to a record filed or recorded in a filing office described in paragraph (a) of subsection 1 of NRS 104.9501, the date that the initial financing statement was filed or recorded and the information specified in subsection 2 of NRS 104.9502;

(b) Indicate that it is ~~to~~ ~~correction~~ an information statement ~~of claim~~; and

(c) Provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for his or her belief that the record was wrongfully filed.

3. *A person may file in the filing office ~~to~~ an information statement ~~of claim~~ with respect to a record filed there if the person is a secured party of record with respect to the financing statement to which the record relates and believes that the person that filed the record was not entitled to do so under subsection 3 of NRS 104.9509.*

4. ~~A~~ An information statement ~~of claim~~ under subsection 3 must:

(a) Identify the record to which it relates by:

(1) The file number assigned to the initial financing statement to which the record relates; and

(2) If the information statement ~~of claim~~ relates to a record filed or recorded in a filing office described in paragraph (a) of subsection 1 of NRS 104.9501, the date that the initial financing statement was filed or recorded and the information specified in subsection 2 of NRS 104.9502;

(b) Indicate that it is ~~not~~ an information statement; ~~of claim~~; and

(c) Provide the basis for the person's belief that the person that filed the record was not entitled to do so under subsection 3 of NRS 104.9509.

5. The filing of ~~the~~ ~~correction~~ an information statement ~~of claim~~ does not affect the effectiveness of an initial financing statement or other filed record.

Sec. 24. NRS 104.9607 is hereby amended to read as follows:

104.9607 1. If so agreed, and in any event after default, a secured party:

(a) May notify an account debtor or other person obligated on collateral to make payment or otherwise render performance to or for the benefit of the secured party;

(b) May take any proceeds to which the secured party is entitled under NRS 104.9315;

(c) May enforce the obligations of an account debtor or other person obligated on collateral and exercise the rights of the debtor with respect to the obligation of the account debtor or other person obligated on collateral to make payment or otherwise render performance to the debtor, and with respect to any property that secures the obligations of the account debtor or other person obligated on the collateral;

(d) If it holds a security interest in a deposit account perfected by control under paragraph (a) of subsection 1 of NRS 104.9104, may apply the balance of the deposit account to the obligation secured by the deposit account; and

(e) If it holds a security interest in a deposit account perfected by control under paragraph (b) or (c) of subsection 1 of NRS 104.9104, may instruct the bank to pay the balance of the deposit account to or for the benefit of the secured party.

2. If necessary to enable a secured party to exercise under paragraph (c) of subsection 1 the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which the mortgage is recorded:

(a) A copy of the security agreement that creates or provides for a security interest in the obligation secured by the mortgage; and

(b) The secured party's sworn affidavit in recordable form stating that:

(1) A default has occurred ~~to~~ **with respect to the obligation secured by the mortgage**; and

(2) The secured party is entitled to enforce the mortgage nonjudicially.

3. A secured party shall proceed in a commercially reasonable manner if the secured party:

(a) Undertakes to collect from or enforce an obligation of an account debtor or other person obligated on collateral; and

(b) Is entitled to charge back uncollected collateral or otherwise to full or limited recourse against the debtor or a secondary obligor.

4. A secured party may deduct from the collections made pursuant to subsection 3 reasonable expenses of collection and enforcement, including reasonable attorney's fees and legal expenses incurred by the secured party.

5. This section does not determine whether an account debtor, bank or other person obligated on collateral owes a duty to a secured party.

Sec. 25. This act becomes effective on July 1, 2013.

Senator Wiener moved the adoption of the amendment.

Remarks by Senator Wiener.

Senator Wiener requested that her remarks be entered in the Journal.

The amendment clarifies that in addition to a driver's license, a personal identification card issued by the Department of Motor Vehicles will also be accepted to verify the name of the debtor on the financial statement.

Amendment adopted.

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

Assembly Bill No. 161.

Bill read second time and ordered to third reading.

Assembly Bill No. 244.

Bill read second time and ordered to third reading.

Assembly Bill No. 269.

Bill read second time and ordered to third reading.

Assembly Bill No. 271.

Bill read second time.

The following amendment was proposed by the Committee on Judiciary:

Amendment No. 557.

"SUMMARY—Regulates private transfer fee obligations that affect real property. (BDR 10-628)"

"AN ACT relating to real property; providing for the regulation of private transfer fee obligations affecting real property; providing that certain such obligations are void and unenforceable; revising the disclosures that a seller of real property must make to a buyer to include certain information concerning such obligations; and providing other matters properly relating thereto."

Legislative Counsel's Digest:

This bill regulates the imposition of private transfer fee obligations upon the transfer of an interest in real property in this State. **Section 6** of this bill defines a "private transfer fee obligation" to mean an obligation arising under a declaration or covenant recorded against the title to real property, or under any other contractual agreement or promise, whether or not recorded, that

requires or purports to require the payment of a private transfer fee to the declarant or other person specified in the declaration, covenant or agreement, or to his or her successors or assigns, upon a subsequent transfer of an interest in the real property. **Section 9** of this bill sets forth the finding and declaration of the Legislature that a private transfer fee obligation violates the public policy of this State by impairing the marketability and transferability of real property and by constituting an unreasonable restraint on the alienation of real property. **Section 10** of this bill provides that certain private transfer fee obligations that are created or recorded in this State on or after the date of passage and approval of this bill are void and unenforceable. **Sections 11 and 12** of this bill require the payee under a private transfer fee obligation that was created before the date of passage and approval of this bill to record, on or before ~~December 31, 2011,~~ **July 31, 2012,** in the office of the county recorder of the county in which the real property that is subject to the private transfer fee obligation is located, a notice which includes certain specified information and to respond timely to a request for a written statement of the amount of the transfer fee due upon the sale of the real property, and provides that the private transfer fee obligation becomes void and unenforceable upon failure to comply with either requirement. In addition, **section 13** of this bill imposes civil liability upon a person who fails to comply with either of these requirements or who creates or records a private transfer fee obligation in the person's favor on or after the date of passage and approval of this bill. **Section 14** of this bill revises the disclosures that a seller of real property must make to a buyer by requiring a seller of real property that is subject to a private transfer fee obligation to furnish to the buyer a written statement which discloses the existence of the private transfer fee obligation, includes a description of the private transfer fee obligation and sets forth a notice which includes information concerning applicable state laws and the effect that such an obligation may have on the value of the property.

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

Section 1. Chapter 111 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 13, inclusive, of this act.

Sec. 2. *As used in sections 2 to 13, inclusive, of this act, the words and terms defined in sections 3 to 8, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Buyer" includes, without limitation, a grantee or other transferee of an interest in real property.*

Sec. 4. *"Payee" means the natural person to whom or the entity to which a private transfer fee is to be paid and the successors or assigns of the natural person or entity.*

Sec. 5. 1. *"Private transfer fee" means a fee or charge required by a private transfer fee obligation and payable upon the transfer of an interest in real property, or payable for the right to make or accept such a transfer,*

regardless of whether the fee or charge is a fixed amount or is determined as a percentage of the value of the interest in real property or the purchase price or other consideration paid for the transfer of the interest in real property.

2. The term does not include any:

(a) Consideration payable by the buyer to the seller for the interest in real property being transferred, including any subsequent additional consideration payable by the buyer based upon any subsequent appreciation, development or sale of the property if the additional consideration is payable on a one-time basis only and the obligation to make the payment does not bind successors in title to the property;

(b) Commission payable to a licensed real estate broker for the transfer of real property pursuant to an agreement between the broker and the seller or buyer, including any subsequent additional commission payable by the seller or buyer based upon any subsequent appreciation, development or sale of the property;

(c) Interest, charge, fee or other amount payable by a borrower to a lender pursuant to a loan secured by a mortgage on real property, including, without limitation, any fee payable to the lender for consenting to an assumption of the loan or a transfer of the real property, any amount paid to the lender pursuant to an agreement which gives the lender the right to share in any subsequent appreciation in the value of the property, and any other consideration payable to the lender in connection with the loan;

(d) Rent, reimbursement, charge, fee or other amount payable by a lessee to a lessor under a lease, including, without limitation, any fee payable to the lessor for consenting to any assignment, subletting, encumbrance or transfer of the lease;

(e) Consideration payable to the holder of an option to purchase an interest in real property or to the holder of a right of first refusal to purchase an interest in real property for waiving, releasing or not exercising the option or right upon the transfer of the real property to another person;

(f) Tax, fee, charge, assessment, fine or other amount payable to or imposed by a governmental entity; ~~for~~

(g) Fee, charge, assessment, fine or other amount payable to an association of property owners or any other form of organization of property owners, including, without limitation, a unit-owners' association or master association of a common-interest community, a unit-owners' association of a condominium hotel or an association of owners of a time-share plan, pursuant to a declaration, covenant or specific statute applicable to the association or organization ~~for~~; or

(h) Fee or charge payable to the master developer of a planned community by the first purchaser of each lot in the planned community in the event that the first purchaser fails to construct and obtain a municipal

certificate of occupancy for a residence on the lot and retain ownership of the residence for 1 year before conveying the residence, provided that the obligation of the first purchaser of the lot to pay the fee or charge is on a one-time basis only and does not bind subsequent purchasers of the lot.

Sec. 6. "Private transfer fee obligation" means an obligation arising under a declaration or covenant recorded against the title to real property, or under any other contractual agreement or promise, whether or not recorded, that requires or purports to require the payment of a private transfer fee to the declarant or other person specified in the declaration, covenant or agreement, or to his or her successors or assigns, upon a subsequent transfer of an interest in the real property.

Sec. 7. "Seller" includes, without limitation, a grantor or other transferor of an interest in real property.

Sec. 8. "Transfer" means the sale, gift, conveyance, assignment, inheritance or other transfer of an interest in real property.

Sec. 9. The Legislature finds and declares that:

1. The public policy of this State favors the marketability of real property and the transferability of interests in real property free of defects in title or unreasonable restraints on the alienation of real property; and

2. A private transfer fee obligation violates the public policy of this State by impairing the marketability and transferability of real property and by constituting an unreasonable restraint on the alienation of real property regardless of the duration or amount of the private transfer fee or the method by which the private transfer fee obligation is created or imposed.

Sec. 10. 1. Except as otherwise provided in section 11 of this act:

(a) A person shall not, on or after the effective date of this act, create or record a private transfer fee obligation in this State; and

(b) A private transfer fee obligation that is created or recorded in this State on or after the effective date of this act is void and unenforceable.

2. The provisions of subsection 1 do not validate or make enforceable any private transfer fee obligation that was created or recorded in this State before the effective date of this act.

Sec. 11. 1. The payee under a private transfer fee obligation that was created before the effective date of this act shall, on or before ~~December 31, 2011,~~ July 31, 2012, record in the office of the county recorder of the county in which the real property that is subject to the private transfer fee obligation is located a notice which includes:

(a) The title "Notice of Private Transfer Fee Obligation" in not less than 14-point boldface type;

(b) The legal description of the real property;

(c) The amount of the private transfer fee or the method by which the private transfer fee must be calculated;

(d) If the real property is residential property, the amount of the private transfer fee that would be imposed on the sale of a home for \$100,000, the sale of a home for \$250,000 and the sale of a home for \$500,000;

(e) The date or circumstances under which the private transfer fee obligation expires, if any;

(f) The purpose for which the money received from the payment of the private transfer fee will be used;

(g) The name, address and telephone number of the payee; and

(h) If the payee is:

(1) A natural person, the notarized signature of the payee; or

(2) An entity, the notarized signature of an authorized officer or employee of the entity.

2. Upon any change in the information set forth in the notice described in subsection 1, the payee may record an amendment to the notice.

3. If the payee fails to comply with the requirements of subsection 1:

(a) The private transfer fee obligation is void and unenforceable and any interest in the real property that is subject to the private transfer fee obligation may thereafter be conveyed free and clear of the private transfer fee obligation; and

(b) The payee is subject to the liability described in section 13 of this act.

4. Any person with an interest in the real property that is subject to the private transfer fee obligation may record in the office of the county recorder of the county in which the real property is located an affidavit which:

(a) States that the affiant has actual knowledge of, and is competent to testify to, the facts set forth in the affidavit;

(b) Sets forth the legal description of the real property that is subject to the private transfer fee obligation;

(c) Sets forth the name of the owner of the real property as recorded in the office of the county recorder;

(d) States that the private transfer fee obligation was created before the effective date of this act and specifies the date on which the private transfer fee obligation was created;

(e) States that the payee under the private transfer fee obligation failed on or before ~~December 31, 2011,~~ July 31, 2012, to record in the office of the county recorder of the county in which the real property that is subject to the private transfer fee obligation is located a notice which complies with the requirements of subsection 1; and

(f) Is signed by the affiant under penalty of perjury.

5. When properly recorded, the affidavit described in subsection 4 constitutes prima facie evidence that:

(a) The real property described in the affidavit was subject to a private transfer fee obligation that was created before the effective date of this act;

(b) The payee under the private transfer fee obligation failed on or before ~~December 31, 2011,~~ July 31, 2012, to record in the office of the

county recorder of the county in which the real property that was subject to the private transfer fee obligation is located a notice which complies with the requirements of subsection 1; and

(c) The private transfer fee obligation is void and unenforceable and any interest in the real property that is subject to the private transfer fee obligation may thereafter be conveyed free and clear of the private transfer fee obligation.

Sec. 12. 1. If a written request for a written statement of the amount of the transfer fee due upon the sale of real property is sent by certified mail, return receipt requested, to the payee under a private transfer fee obligation that was created before the effective date of this act at the address appearing in the recorded notice described in section 11 of this act, the payee shall provide such a written statement to the person who requested the written statement not later than 30 days after the date of mailing.

2. If the payee fails to comply with the requirements of subsection 1:

(a) The private transfer fee obligation is void and unenforceable and any interest in the real property that is subject to the private transfer fee obligation may thereafter be conveyed free and clear of the private transfer fee obligation; and

(b) The payee is subject to the liability described in section 13 of this act.

3. The person who requested the written statement may record in the office of the county recorder of the county in which the real property is located an affidavit which:

(a) States that the affiant has actual knowledge of, and is competent to testify to, the facts set forth in the affidavit;

(b) Sets forth the legal description of the real property that is subject to the private transfer fee obligation;

(c) Sets forth the name of the owner of the real property as recorded in the office of the county recorder;

(d) Expressly refers to the recorded notice described in section 11 of this act by:

(1) The date on which the notice was recorded in the office of the county recorder; and

(2) The book, page and document number, as applicable, of the recorded notice;

(e) States that a written request for a written statement of the amount of the transfer fee due upon the sale of the real property was sent by certified mail, return receipt requested, to the payee at the address appearing in the recorded notice described in section 11 of this act, and that the payee failed to provide such a written statement to the person who requested the written statement within 30 days after the date of mailing; and

(f) Is signed by the affiant under penalty of perjury.

4. When properly recorded, the affidavit described in subsection 3 constitutes prima facie evidence that:

(a) A written request for a written statement of the amount of the transfer fee due upon the sale of the real property was sent by certified mail, return receipt requested, to the payee at the address appearing in the recorded notice described in section 11 of this act;

(b) The payee failed to provide such a written statement to the person who requested the written statement within 30 days after the date of mailing; and

(c) The private transfer fee obligation is void and unenforceable and any interest in the real property that is subject to the private transfer fee obligation may thereafter be conveyed free and clear of the private transfer fee obligation.

Sec. 13. 1. *Any person who creates or records a private transfer fee obligation in the person's favor on or after the effective date of this act or who fails to comply with a requirement imposed by subsection 1 of section 11 of this act or subsection 1 of section 12 of this act is liable for all:*

(a) Damages resulting from the enforcement of the private transfer fee obligation upon the transfer of an interest in the real property, including, without limitation, the amount of any private transfer fee paid by a party to the transfer; and

(b) Attorney's fees, expenses and costs incurred by a party to the transfer or mortgage of the real property to recover any private transfer fee paid or in connection with an action to quiet title.

2. *A principal is liable pursuant to this section for the acts or omissions of an authorized agent of the principal.*

Sec. 14. Chapter 113 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *A seller of real property that is subject to a private transfer fee obligation shall furnish to the buyer a written statement which discloses the existence of the private transfer fee obligation, includes a description of the private transfer fee obligation and sets forth a notice in substantially the following form:*

A private transfer fee obligation has been created with respect to this property. The private transfer fee obligation may lower the value of this property. The laws of this State prohibit the enforcement of certain private transfer fee obligations that are created or recorded on or after the effective date of this act (section 10 of this act) and impose certain notice requirements with respect to private transfer fee obligations that were created before the effective date of this act (section 11 of this act).

2. *As used in this section, "private transfer fee obligation" has the meaning ascribed to it in section 6 of this act.*

Sec. 15. This act becomes effective upon passage and approval.

Senator Wiener moved the adoption of the amendment.

Remarks by Senator Wiener.

Senator Wiener requested that her remarks be entered in the Journal.

The amendment revises the definition of a "private transfer fee" by excluding from that definition a fee that is paid by the first purchaser of a lot to the master developer of a planned community if the purchaser fails to construct a residence and retain ownership for at least one year. The intent is to allow the private transfer fee in such circumstances in order to discourage "flipping" of lots or speculative purchases.

The amendment also changes the date by which a payee under a private transfer fee obligation must record the obligation with the county recorder. The date is changed from December 31, 2011, to July 31, 2012.

Amendment adopted.

Bill ordered reprinted, engrossed and to third reading.

Assembly Bill No. 284.

Bill read second time and ordered to third reading.

Assembly Bill No. 321.

Bill read second time and ordered to third reading.

Assembly Bill No. 408.

Bill read second time and ordered to third reading.

GENERAL FILE AND THIRD READING

Assembly Bill No. 568.

Bill read third time.

Remarks by Senator Horsford.

Senator Horsford requested that his remarks be entered in the Journal.

I will be reading the entire floor statement. Assembly Bill No. 568 appropriates \$1.370 billion in the first year and \$1.399 billion in the second year of the 2011-13 biennium from the State General Fund to the Distributive School Account (DSA). In addition, there are \$240.1 million and \$246.0 million of other revenues authorized to be received and expended for the state support of public education for the next two years. These other revenues include an annual tax on slot machines, sales tax collected on out-of-state sales, interest earned on the Permanent School Fund, revenue from mineral leases on federal land and room tax revenues from the legislatively-approved 2009 Initiative Petition 1.

The statewide average basic support per pupil increases over the upcoming biennium from the amount of \$5,192 in the current year (revised from the FY 2011 legislatively-approved amount of \$5,395 for the budget reductions approved by the Twenty-sixth Special Session) to \$5,542 in FY 2012, and \$5,655 in FY 2013. Enrollment is projected to decline by 0.14 percent in the first year and grow by 0.36 percent in the second year of the biennium.

State funding for special education continues to be allocated on the basis of special education units. Total funding for the units amounts to \$121.3 million for 3,049 units of \$39,768 each year of the 2011-13 biennium. As in the past, 40 of those units will be reserved for the State Board of Education to assign to districts that have unexpected needs.

To fund adult high school diploma programs, including those in prison facilities, \$17.4 million and \$18.2 million are budgeted in the first and second years of the biennium, respectively, for the support of courses approved by the Department of Education as meeting the course of study for an adult standard high school diploma as approved by the State Board.

The bill includes funding for the Early Childhood Education program of \$3.3 million for each year of the upcoming biennium for competitive grants to school districts and community-based organizations for early childhood education programs.

For continued support of the Class-Size Reduction (CSR) program, this bill allocates \$144 million in FY 2012 and \$147.5 million in FY 2013 to pay for the salaries and benefits of at least 2,127 teachers hired to reduce pupil-teacher ratios in the first year and 2,144 teachers in the second year of the biennium. The bill continues the CSR program in the DSA, and maintains the separate expenditure category to highlight the program. Funds will be allocated based upon the number of teachers needed in each school district to reach the pupil-teacher ratios of 16 to 1 in first and second grades and 19 to 1 in third grade, the same ratios as in the current biennium.

The bill continues the flexibility for certain school districts to carry out alternative programs for reducing the ratio of pupils per teacher or to implement remedial programs that have been found to be effective in improving pupil achievement. To use the funds in this manner, school districts are required to receive approval of their written plan from the Superintendent of Public Instruction, evaluate the effectiveness of their program and ensure that the combined ratio of pupils per teacher in the aggregate of grades K through 3 does not exceed the combined ratio in those grades in the 2004-05 school year.

This bill appropriates \$8.0 million and \$7.6 million for the first and second years, respectively, for the Other State Education Programs Account. Through this account, State General Fund support is provided for Educational Technology, Peer Mediation, Career and Technical Education programs, Local Education Agency Library Books, Public Broadcasting, the National Board Certification program for teachers and counselors, and other miscellaneous programs.

This bill continues the Account for Programs for Innovation and the Prevention of Remediation with appropriations of \$24.8 million in FY 2012 and \$25.3 million in FY 2013 to continue the Full-Day Kindergarten program for at-risk schools in Nevada. The bill further appropriates \$7.7 million each year of the 2011-13 biennium for Regional Professional Development programs to train teachers and administrators. The Regional Professional Development program was transferred, with no change in purpose, from a line item in the Distributive School Account to the Remediation Trust Fund.

The bill continues the Grant Fund for Incentives for Licensed Educational Personnel with appropriations of \$13.4 million in FY 2012 to fund the cost of retirement credits and teacher incentives earned in FY 2011, and \$15.9 million in FY 2013 to fund the cost of retirement credits and teacher incentives earned in FY 2012.

The bill also temporarily redirects funding from the State Supplemental School Support Fund to the Distributive School Account for the 2011-13 bienniums. This concludes the floor statement.

I said at the beginning of this Session that I will not accept the Governor's deep cuts to K-12 education. I did not sign a pledge, I took an oath. Today, I keep my promise.

This budget does not position our children for success. It pits students against each other for attention in overcrowded classrooms, taught by underpaid teachers, in schools that are falling apart. The Governor's proposal says to these kids, "deal with it." That is not optimism; that is cynicism.

Let us be clear: before this Session student achievement was low in Nevada. We need to reform our system, which is obvious. But reform is only one side of the coin.

You cannot reform a system that is critically underfunded by cutting more. We can ask teachers to do more with less, but we have been doing that for years. And for years we have watched our system deteriorate. When are we going to stop? Where does this end?

Students have become activists because we are not doing our jobs. My children's school is being leafleted by parents who are concerned about their children and their opportunity to succeed. And it is not just my children's school. It is across Clark County and throughout Nevada. I have never seen that before, and I have never heard such an outcry from the public, it is unheard of in this State. We are at the breaking point. If we do not invest in our schools now, we will condemn our children to failure. Education is free to all, but it has a price, because we cannot cut our way out of crumbling classrooms. We cannot treat teachers like second class citizens, cut their pay, and expect the talent pool to grow. We cannot scold students for bad grades when they do not have textbooks to take home to study. We cannot reform our way out of a classroom with 45 students. We cannot end social promotion by closing libraries and ending after-school programs.

There is a lot of talk about tightening our belts. You now what, our children do not have belts to tighten. Schools are cutting back on pencils. That is where we are as a State; we are cutting back on pencils. That may seem insignificant to some, but if that is your opinion, I would like to introduce you to some families in my district.

We cannot afford to short-change our kids. We cannot be a state known for shortchanging our schools and expending our prisons. If we do not restore funding, we will continue a downward spiral for student achievement and deny our children success.

What we can do is step up to the plate and save our schools. We ask our students to be responsible in the classroom, because we promise them they can succeed if they work hard. The K-12 budget we send to the Governor today is how we live up to our end of the bargain, and responsibly fund our schools.

I am not doing this to oppose the Governor, or to score political points. I am doing this for students. Students who need someone to stand up for them, students like Amberly, who attends Robert O. Gibson Middle School, in my district.

She wrote me a letter saying that the outlets in her classrooms spark, that there are electrical wires hanging from the ceiling. She told me about Ms. Kipp's class, where the ceiling is caving in right above her desk and she is afraid the ceiling is going to fall on her. By the way, she said Ms. Kipp is a great teacher. She said the plumbing in her school is broken and the whole school smells like sewage.

Why should we ask our children, the next generation of this State, to sacrifice more? They have been sacrificing their whole lives. To take more from them is beyond unfair. They want a bright future, but it is not just up to them to work hard. Here, in this Chamber, right now, 21 Legislators are deciding to tip the scales for or against them.

All parents have hopes and goals for their children. Like any parent, I want only the best for mine. Kids grow through their schooling. They spend a large portion of their young lives in the classroom. We will reap what we sow with this budget and a budget reflects our priorities, whether it is a family budget, a business, or a state or local government.

If we underfund our schools, our students will under perform, it is a simple as that, and that is why we should send restored K-12 funding to the Governor. It is the least we can do.

Mr. President announced that if there were no objections, the Senate would recess subject to the call of the Chair.

Senate in recess at 4:14 p.m.

SENATE IN SESSION

At 4:19 p.m.

President Krolicki presiding.

Quorum present.

Remarks by Senators Roberson, Schneider and Horsford.

Senator Roberson requested that the following remarks be entered in the Journal.

SENATOR ROBERSON:

Thank you, Mr. President. I am responding today because I do not react well to lecturing. That is what I took the Senate Majority Leader's statement to be. It was a lecture to those of us who have chosen to support the Governor's budget. To insinuate that those in the minority party do not care about children and do not care about education is rich coming from the majority party who, from my perspective is for the status quo in education in this State. They are opposed to any real reform. They have proposed lots of fake reform, but no real reform to education this Session.

With the add backs to the budget, not one teacher needs to be laid off. Not one classroom needs to increase in size as long as the unions make reasonable concessions. Teachers in this State are the twenty-third highest paid teachers in the country. They are only being asked to

make the same sacrifice that every other State employee is making. They are not even being asked to make as large of a sacrifice because they are being asked to contribute just a portion, a quarter of their (Public Employees' Retirement System (PERS) contribution, much less than what other State employees have to contribute. No teacher has to lose their job under this budget. That is up to the unions. Some of us tried to enact real collective bargaining reforms. We were thwarted at every attempt by the majority party because the majority party is beholden to public sector unions. That is the bottom line. That is what keeping education in this State down.

I am not going to vote to tax people in Nevada, yet again, to put more money into a system that we all know is broken. We need to fix this education system. All of us are willing to do that. To wait four months until five days ago to propose \$1.5 billion in new taxes and to expect us to say, "Yes, sir, let us vote for more taxes." I am sorry, we are not going to go along with that. That does not mean we are anti-education. It does not mean we are anti-teacher. It does not mean we are anti-children.

SENATOR SCHNEIDER:

Thank you, Mr. President. The "rookie" Senator from Green Valley signed a tax pledge. He would not vote for education, he would not vote for taxes, he would not vote for anything to fund schools before he was elected.

I do not like this budget. I have put in 12 years to fund education at the national average. We are dead last. We are at the bottom. On the *Today Show* this morning, they had a story about autism. They said it is twice as high as being reported nationwide. How do you find the students who are autistic? You have to spend the money. You have to find them, rehabilitate them, so they may become productive citizens. We did not put enough money into the budget to do that. There are add backs, but there is not enough money. The Senator from District No. 5 stated that teachers were paid twenty-third in the nation, but our overall funding is last. The Clark County School District was described as insatiable in their hunt for teachers during the last two decades. They had to hire over 2,000 teachers every year to keep pace. They were competing nationally. They could not get the teachers nationally. They had to go to Mexico to hire teachers and to the Philippines to hire teachers because we did not have the teachers in this country who would come to Las Vegas. We had to go to third-world countries to hire teachers. We had to sweeten the pot to get them. The teachers were saying "no" to Las Vegas and "no" to the State of Nevada.

Let us look at this realistically. To fund our children at just the national average, to be mediocre, \$1.7 billion more needs to go in the budget to do that. The Majority Leader had a hearing on Senate Bill No. 2 this Session to fund at the average. I said you can use the bill to set a goal to get there. You can use the bill for any type of reform. You can use the bill for anything, but let us set a goal to get us out of this hole.

Last week, the Governor announced that an outdoor supply store is coming to Reno. That is a big economic development boost for Reno. It hires about 400 employees. That shows that we are doing good. But, I would like to tell the Governor that IKEA will not come to Las Vegas because of the education level of the people. IKEA would have employed more people than the outdoor store in Reno.

It is a shame and it is a crime, what we do. In the two decades I have been here, we have underfunded and cut our kids short. Look at the statistics. We do not graduate at the rate we should. It has to do with funding. It does not have to do with teacher reform. I am insulted that the Senator from District No. 5 claims that my party is beholden to the teachers and to the unions. I am personally insulted by that.

We are still kicking that can down the road. We are not making real reform. We are not doing what is right for our students. Our businesses have indicated we should fund education better. Our businesses in this State, Wal-Mart, Kmart, Target, Nordstrom's, Albertson's, Smith's Food King do not pay income tax. They do not pay corporate tax. They do not pay inventory tax. They do not pay warehousing tax. Thanks to the work of the last two decades of the Commerce and Labor Committee, they pay a very low workers' compensation rate in Nevada. All of the states surrounding us are paying these taxes. Their businesses are not fleeing. They are funding education better.

Mr. President, I apologize for getting tough, but when I am accused of being beholden to someone and that is why the funding is what it is, I am personally insulted. I stand here to say we did not fund it enough.

SENATOR ROBERSON:

Thank you, Mr. President. I will not personalize this because I have a great deal of personal affection for my friend and colleague, the veteran Senator from Clark District No. 11.

My colleague did not address my questions about real reform. It is always the easy way out to say, "Let us just take more of the people's money. Let us just raise taxes again. Let us not make the tough choices to fix the system." We can throw as much money at this we want, but if the system is broken, it is not going to get better. We have done that time and time again. We need real reform. I stand by my statement. I am not trying to be offensive. I am just trying to state the facts. The majority party is beholden to public sector unions. The proof is in the pudding.

SENATOR HORSFORD:

Point of order Mr. President.

That is not appropriate in this body. It is not.

MR. PRESIDENT:

My judgment was that it was appropriate.

SENATOR HORSFORD:

I would like to make the record clear since some members who are in this body were not here in 2009. This body approved unanimously Senate Bill No. 330 of the 75th Session, which was a major reform bill to education around the teacher evaluation and accountability provisions. That bill was passed unanimously in a bipartisan manner with major reforms that were offered by both sides over the objections of the education establishment whether they were the school districts, teacher organizations, or other groups.

My colleague from Clark District No. 5 wants to refer to reform. This Legislature is all about reform; reform of our budget, reform to keep policies including education, reforms to policies around public employee issues, and reform of our revenue code, which has not substantially changed since the 1950s. They go together. It is a package. It is part of what the Speaker, I, and others did present the other day. My question to my colleague from Clark District No. 5 is, "Is this about an ideological view? Or is this about reacting to the policy that is now before this body?" We have a bill before us that restores funding. There are bills in the Senate Education Committee. There was a hearing yesterday on two major reform bills in education about teacher accountability and changing the post probationary status for teachers if they are not showing improvement in their classrooms with their students. To suggest there is no reform, I would ask my colleague, "What is he asking for?" You have to evaluate the policies that are before us. In this Session, there are bills on reform in the areas I just discussed, on education, on government in the budget, on public employee issues that have passed both Houses and are still in this process. My colleague from Clark District No. 12 has a measure that we supported in this Body dealing with public employee issues. That discussion can continue. To suggest that this is not occurring is false and it is fiction logic. Members need to be informed and not just throw out ideological views that are not substantiated. The reason I stood to object is because I have never in all of my years whether it be in the Assembly or the Senate had a member question the integrity of the members of this body; Ever.

It is important that while we disagree, that we do it respectfully. You may not like my remarks. You may not like my positions, but I will always be respectful of other members. I have tried to listen, engage, and have a discussion and to bring the issue to this Floor in a Committee of the Whole so that we could deliberate and debate the issues that members are questioning. We have started this Session where we will end it, prioritizing those areas that are most important. That is what this bill does today.

MR. PRESIDENT:

I appreciate your comments, Senator Horsford. As long as I am the presiding officer here, my protection is to the individual Senators. We will not agree. This is a forum for disagreement. We know that. We know it very well, especially at these moments. I respect everyone in here. I will

work with everyone in here. I will make certain we keep a sense of decorum. It is for you to deliberate. I will make those decisions as I see fit. You will agree or disagree with me.

Remarks by Senators Denis, Wiener and Leslie.

Senator Denis requested that the following remarks be entered in the Journal.

SENATOR DENIS:

Thank you, Mr. President. As I look through the bill, the first thing I notice is that it states, "Ensures sufficient funding for K-12 public education." At first, I thought that this was a bill from our colleague from Clark District No. 11 who each session puts out a bill about adequate funding. I do not think it is sufficient. It is funding. If you look in Section 1, the per pupil funding of \$5542 is \$600 more than the recommended budget from the Governor which was at \$4877. I do not think that was sufficient, but it does some things that we have seen work.

The schools in my district have large Hispanic percentages. I have been in the classrooms. My wife is a kindergarten teacher. Her biggest challenge on the first day of school was that she started out with 28 students and that increased to 33 within a short period of time. She had a student who was a challenge. She had to spend a lot of time with him taking time away from the other students. They were able to make some changes because they were able to get an additional teacher, which allowed her class size to decrease. Under the proposed budget, the class size would have increased again. It is hard to teach the children when the class size gets too large.

I have spoken with other teachers. When I take my daughter to school by 6:00 a.m., there are two cars at the school every morning at 5:30 a.m. They are teachers at the school. When I get home from work after 5:00 p.m., there are still cars at the school. They are the teachers who are still there. We have asked teachers to do more and they are doing more. We are giving them less and they have less resources. This bill restores some of that.

I talk to parents and their number one concern is education for their children. They want what is best for their children. They want to try to help them. They may not know what to do, but I have spent most of my life helping parents to understand how they can help.

Earlier, addressing a bill before us, we talked about how important it was to help the Hispanic community. In the Hispanic community, education is the number one priority. If you truly want to help the Hispanic community, I hope you will support this bill. Thank you.

SENATOR WIENER:

When we had Committee of the Whole, we discussed K-12. As many know, I regularly look at the picture of the kindergarten, first and second graders at Wiener Elementary on my Senate desk before I vote because I vote with children in mind. Many years ago, the Legislature participated in a pilot program called Legislators Back to School. We are starting the eleventh year in that program. It began as a one-day event, and then it expanded to one week held during the third week in September. Now Legislators Back to School is anytime in the year. I look forward to this program which allows me to be in the classroom with young people. Each year, I visit between 3,000 and 4,000 children in 20 to 30 schools. Many of them are not in my district. Visiting children is my soft spot. If a school asks, I will show up at the door.

During the past years, and especially last year, during each visit, I have given the students the opportunity to ask me questions. I tell them that this is a participatory democracy and I am there as a representative in government. To do my job well, I tell them, I need to listen to them. They can ask me any question they want. I tell them that if I do not have the answer I will say so. Overwhelmingly, in every school, the first or second question is, what are you going to do for our education? How are you going to help our teachers? What are you going to do about tools in the classroom? They say they want to learn. I have heard these questions in every single school. It does not matter whether they are inner city or suburban. I travel all over Clark County. The children are asking these questions. They want to know what we are going to do to fund their education. Please fund it, they say. Please give us enough money to learn, they say. That is what this DSA funding bill is all about. These questions come from the mouths of children I may never meet again. I do not know their names, but 3,000 to 4,000 students each year are sharing

this message with me. I listen, and I know you do too. For these reasons and many more, I would appreciate your support for this critical education funding bill.

SENATOR LESLIE:

Thank you, Mr. President. A number years ago when Governor Gibbons and his former wife, Dawn, had the "Education First" pledge, I was not a supporter of that. Dawn Gibbons is a friend of mine. We had many long conversations about it. I told her I was not in favor of it because that is not how the legislative process works.

This is my seventh regular session and this is the first session where I can say, procedurally, we have put education first by getting this bill ready to go this early. I have changed my mind. Education First is the right policy, procedurally. The bill we are sending to the Governor is the right bill. It does not go as far as many of us would like. It goes further than some would like, but it is the right bill. We have to agree, everyone in here cares about his or her children, grandchildren, and the neighbor children's education. We all care about funding education appropriately. I have no doubt about that. Some want more reform before they want to put more money in the system.

There is one thing I do know. Putting less money in the system is not going to make it better. That is the philosophical argument at the base of this. Some believe that putting less money into education will force the system to become better. I think it is just the opposite. It is going to force our students to go to school in overcrowded classrooms, and in classrooms like the one earlier addressed by the Majority Leader with the ceiling coming down, with teachers who are not adequately paid. It is the children who will suffer, not the system. Everyone will vote his or her conscience today. I ask as you press your button to vote to really think about putting education before the politics, before the pledges, before the parties and do the right thing for our students. We will all live with our decisions today. I urge your support. This is the right bill. This is the amount of money our State can afford and our children deserve it.

Roll call on Assembly Bill No. 568:

YEAS—11.

NAYS—Brower, Cegavske, Gustavson, Halseth, Hardy, Kieckhefer, McGinness, Rhoads, Roberson, Settlemeyer—10.

Assembly Bill No. 568 having received a constitutional majority, Mr. President declared it passed.

Bill ordered transmitted to the Assembly.

MOTIONS, RESOLUTIONS AND NOTICES

Senator Wiener moved that Assembly Bills Nos. 352, 355, 429, 441, 538, 556, be taken from the General File and placed on the General File for the next legislative day.

Motion carried.

UNFINISHED BUSINESS

SIGNING OF BILLS AND RESOLUTIONS

There being no objections, the President and Secretary signed Senate Bill No. 497; Assembly Bills Nos. 32, 91, 220, 295, 296, 319, 568.

GUESTS EXTENDED PRIVILEGE OF SENATE FLOOR

On request of Senator Breedon, the privilege of the Floor of the Senate Chamber for this day was extended to Judith Cole.

On request of Senator Brower, the privilege of the Floor of the Senate Chamber for this day was extended to Monica Kales.

On request of Senator Cegavske, the privilege of the Floor of the Senate Chamber for this day was extended to Roger Buehrer.

On request of Senator Copening, the privilege of the Floor of the Senate Chamber for this day was extended to Pat Clary.

On request of Senator Denis, the privilege of the Floor of the Senate Chamber for this day was extended to Shaun Griffin and Judy Dyer.

On request of Senator Gustavson, the privilege of the Floor of the Senate Chamber for this day was extended to the following students and chaperones from the Lena Juniper Elementary School: Bri Barnes, Gage Brady, Alexis Carrillo, Dawson Dillard, Kai Eduave, Trinity Ferns, Briana Flores, Elijah Harding, Briley Hatfield, Anthony Hernandez, Beatriz Herrera-Diaz, Jodan Lear, Emma Linn, Sabrina Ma, Cheyanne Malenke, Josue Ponce, Marco Rodriguez, McKailey Slavin, Maddie Steen, Tuan Tran, Analycia Vargas, Grace Wallace, Bri Barnes, Gage Brady, Alexis Carrillo, Kaitlyn Cambell, Dawson Dillard, Kai Eduave, Trinity Ferns, Briana Flores, Elijah Harding, Briley Hatfield, Anthony Hernandez, Beatriz Herrera-Diaz, Jodan Lear, Emma Linn, Sabrina Ma, Cheyanne Malenke, Josue Ponce, Marco Rodriguez, McKailey Slavin, Maddie Steen, Tuan Tran, Analycia Vargas, Carla Eduave, Maurice Washington, Brian Wallace, Son Ma and Cynthia Flores.

On request of Senator Halseth, the privilege of the Floor of the Senate Chamber for this day was extended to Trish Williamson.

On request of Senator Hardy, the privilege of the Floor of the Senate Chamber for this day was extended to Cynthia Brenneman.

On request of Senator Horsford, the privilege of the Floor of the Senate Chamber for this day was extended to Jill Berryman.

On request of Senator Kieckhefer, the privilege of the Floor of the Senate Chamber for this day was extended to Tia Siores.

On request of Senator Lee, the privilege of the Floor of the Senate Chamber for this day was extended to Sherry Caston, Claire Hachenberger and Robin Albert.

On request of Senator Leslie, the privilege of the Floor of the Senate Chamber for this day was extended to Dale Gray.

On request of Senator Manendo, the privilege of the Floor of the Senate Chamber for this day was extended to Jenny Care and Angie Wallin.

On request of Senator McGinness, the privilege of the Floor of the Senate Chamber for this day was extended to David Branson.

On request of Senator Parks, the privilege of the Floor of the Senate Chamber for this day was extended to Carol Johnson.

On request of Senator Rhoads, the privilege of the Floor of the Senate Chamber for this day was extended to Bill Sims.

On request of Senator Roberson, the privilege of the Floor of the Senate Chamber for this day was extended to Hilda Wunner and Karina Perez Tuetli.

On request of Senator Schneider, the privilege of the Floor of the Senate Chamber for this day was extended to Dennyse Sewell and Paula Saponaro.

On request of Senator Settelmeyer, the privilege of the Floor of the Senate Chamber for this day was extended to Jill Tolles.

On request of Senator Wiener, the privilege of the Floor of the Senate Chamber for this day was extended to Robin Fuller.

Senator Horsford moved that the Senate adjourn until Wednesday, May 11, 2011, at 11:30 a.m.

Motion carried.

Senate adjourned at 4:50 p.m.

Approved:

BRIAN K. KROLICKI
President of the Senate

Attest: DAVID A. BYERMAN
Secretary of the Senate