

SENATE BILL NO. 387—SENATOR D. HARRIS

MARCH 26, 2021

Referred to Committee on Growth and Infrastructure

SUMMARY—Provides for the regulation of certain suppliers that provide an inmate calling service. (BDR 58-1015)

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

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

AN ACT relating to telecommunication service; providing for the regulation of certain suppliers that provide an inmate calling service by the Public Utilities Commission of Nevada; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law requires the Public Utilities Commission of Nevada to regulate certain utilities. (Chapter 704 of NRS) Under existing law, all telecommunication providers, with the exception of certain small-scale providers of last resort, are classified as competitive suppliers and subject to reduced regulation by the Commission. (NRS 704.68861-704.68887) Existing federal regulations adopted by the Federal Communications Commission establish rate caps and certain other limitations on charges that may be imposed by a provider of an inmate calling service for interstate or international calls. (47 C.F.R. §§ 64.6000 et seq.)

**Section 3** of this bill defines “inmate calling service” to mean a calling service that allows a person confined in a correctional facility to make intrastate calls to persons outside the correctional facility in which the person is being confined.

**Section 2** of this bill defines “correctional facility” to include a public or private correctional facility.

**Section 5** of this bill requires the Commission to adopt by regulation procedures to: (1) establish rate caps and certain limitations on charges for an inmate calling service; and (2) approve a schedule or tariff that exceeds such a rate cap or fails to comply with a limitation prescribed by the Commission. **Section 5** also requires the Commission to review annually, and, if necessary, revise such a rate cap or limitation established or imposed by the Commission.

**Section 4** of this bill requires a competitive supplier to file with the Commission, and obtain approval for, a schedule or tariff that specifies the rates, terms and conditions applicable to an inmate calling service before providing the service. **Section 4** requires the Commission to approve any schedule or tariff that specifies rates, terms and conditions that do not exceed a rate cap or fail to comply



25 with a limitation prescribed by the Commission. **Section 4** authorizes the  
26 Commission to approve a schedule or tariff that exceeds a rate cap or fails to  
27 comply with a limitation prescribed by the Commission pursuant to the procedure  
28 adopted pursuant to **section 5**. **Section 4** also requires a competitive supplier to  
29 submit a revised schedule or tariff if the Commission revises a rate cap or limitation  
30 and the schedule or tariff on file with the Commission exceeds the revised rate cap  
31 or limitation. **Section 12** of this bill authorizes a competitive supplier who provides  
32 an inmate calling service before October 1, 2021, to continue to provide such  
33 service if the competitive supplier files with the Commission the tariff or schedule  
34 required by **section 4** by a certain date. **Sections 10 and 11** of this bill make  
35 conforming changes to remove certain exemptions from regulation by the  
36 Commission for competitive suppliers that provide an inmate calling service.  
37 **Section 11** of this bill requires a competitive supplier that provides an inmate  
38 calling service to publish the rates, terms and conditions of the inmate calling  
39 service. **Sections 6-9** of this bill make conforming changes to indicate the proper  
40 placement of **sections 2-5** in the Nevada Revised Statutes.

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

1 **Section 1.** Chapter 704 of NRS is hereby amended by adding  
2 thereto the provisions set forth as sections 2 to 5, inclusive, of this  
3 act.

4 **Sec. 2.** *“Correctional facility” means a local detention*  
5 *facility, county, city or town jail, state prison, reformatory or other*  
6 *correctional facility, including, without limitation, a facility where*  
7 *a prisoner is housed by a private entity with which the Department*  
8 *of Corrections has contracted to perform core correctional*  
9 *services pursuant to NRS 208.175.*

10 **Sec. 3.** *“Inmate calling service” means a calling service that*  
11 *allows a person confined in a correctional facility to make*  
12 *intrastate calls to persons outside the correctional facility in which*  
13 *the person is being confined, regardless of the technology used to*  
14 *deliver the service.*

15 **Sec. 4. 1.** *Before providing an inmate calling service, a*  
16 *competitive supplier must file with the Commission, for its*  
17 *approval, a schedule or tariff that specifies the rates, terms, and*  
18 *conditions applicable to the inmate calling service to be provided.*

19 **2. The Commission:**

20 **(a)** *Shall approve any schedule or tariff that specifies rates,*  
21 *terms and conditions that do not exceed a rate cap or fail to*  
22 *comply with a limitation prescribed by the Commission.*

23 **(b)** *May approve a schedule or tariff that specifies rates, terms*  
24 *and conditions that exceed a rate cap or fail to comply with a*  
25 *limitation prescribed by the Commission pursuant to the*  
26 *procedure for approval prescribed by regulations adopted by the*  
27 *Commission pursuant to section 5 of this act.*



1       3. A competitive supplier that files with the Commission a  
2 schedule or tariff that exceeds a rate cap or fails to comply with a  
3 limitation prescribed by the Commission shall submit with the  
4 schedule or tariff:

5       (a) A statement that demonstrates that the rate cap or  
6 limitation is not a just or reasonable rate or limitation for the  
7 competitive supplier; and

8       (b) Proof that the competitive supplier participated in a public  
9 hearing conducted by the Commission for the purposes of  
10 establishing the rate cap or limitation.

11       4. A competitive supplier shall submit a revised schedule or  
12 tariff within 30 days after the date on which the Commission  
13 revises a rate cap or limitation if the schedule or tariff on file with  
14 the Commission for the competitive supplier exceeds the revised  
15 rate cap or limitation.

16       **Sec. 5. 1.** The Commission shall adopt regulations  
17 governing the provision of an inmate calling service, which must  
18 prescribe a procedure for:

19       (a) Establishing rate caps for inmate calling services in an  
20 amount that does not exceed any rate caps prescribed by the  
21 Federal Communications Commission for providers of interstate  
22 or international inmate calling services;

23       (b) Defining and limiting ancillary service charges that  
24 providers may charge users of inmate calling services in a manner  
25 consistent with any limitations on such charges prescribed by the  
26 Federal Communications Commission for providers of interstate  
27 or international inmate calling services;

28       (c) Limiting the taxes or fees that providers may charge users  
29 of inmate calling services in a manner consistent with any  
30 limitations on the collection of any taxes or fees prescribed by the  
31 Federal Communications Commission for providers of interstate  
32 or international inmate calling services; and

33       (d) Approving a schedule or tariff that exceeds a rate cap or  
34 limitation established by the Commission in accordance with this  
35 subsection.

36       2. The Commission shall annually review and, if necessary,  
37 revise a rate cap or limitation established by the Commission  
38 pursuant to the procedure required by regulations adopted  
39 pursuant to subsection 1.

40       3. As used in this section, "ancillary service charge" means a  
41 charge relating to the use of inmate calling services that is not  
42 included in the per-minute charge assessed for a call.

43       **Sec. 6.** NRS 704.005 is hereby amended to read as follows:

44       704.005 As used in this chapter, unless the context otherwise  
45 requires, the words and terms defined in NRS 704.006 to 704.028,



1 inclusive, *and sections 2 and 3 of this act* have the meanings  
2 ascribed to them in those sections.

3 **Sec. 7.** NRS 704.390 is hereby amended to read as follows:

4 704.390 1. Except as otherwise provided in NRS 704.68861  
5 to 704.68887, inclusive, *and sections 4 and 5 of this act*, it is  
6 unlawful for any public utility to discontinue, modify or restrict  
7 service to any city, town, municipality, community or territory  
8 theretofore serviced by it, except upon 30 days' notice filed with the  
9 Commission, specifying in detail the character and nature of the  
10 discontinuance or restriction of the service intended, and upon order  
11 of the Commission, made after hearing, permitting such  
12 discontinuance, modification or restriction of service.

13 2. Except as otherwise provided in subsection 3, the  
14 Commission, in its discretion and after investigation, may dispense  
15 with the hearing on the application for discontinuance, modification  
16 or restriction of service if, upon the expiration of the time fixed in  
17 the notice thereof, no protest against the granting of the application  
18 has been filed by or on behalf of any interested person.

19 3. The Commission shall not dispense with the hearing on the  
20 application of an electric utility.

21 **Sec. 8.** NRS 704.68861 is hereby amended to read as follows:

22 704.68861 1. Except as otherwise provided in this section,  
23 any telecommunication provider operating within this State is a  
24 competitive supplier that is subject to the provisions of NRS  
25 704.68861 to 704.68887, inclusive **H**, *and sections 4 and 5 of this*  
26 *act*.

27 2. A small-scale provider of last resort is not a competitive  
28 supplier that is subject to the provisions of NRS 704.68861 to  
29 704.68887, inclusive, *and sections 4 and 5 of this act*, unless the  
30 small-scale provider of last resort is authorized by the Commission  
31 pursuant to NRS 704.68869 to be regulated as a competitive  
32 supplier.

33 **Sec. 9.** NRS 704.68863 is hereby amended to read as follows:

34 704.68863 The provisions of NRS 704.68861 to 704.68887,  
35 inclusive, *and sections 4 and 5 of this act* do not:

36 1. Apply to the Commission in connection with any actions or  
37 decisions required or permitted by the Telecommunications Act of  
38 1996, Public Law 104-104, 110 Stat. 56-161; or

39 2. Limit or modify:

40 (a) The duties of a competitive supplier that is an incumbent  
41 local exchange carrier regarding the provision of network  
42 interconnection, unbundled network elements and resold services  
43 under the provisions of the Telecommunications Act of 1996, Public  
44 Law 104-104, 110 Stat. 56-161; or



1 (b) The authority of the Commission to act pursuant to NRS  
2 704.6881 and 704.6882.

3 **Sec. 10.** NRS 704.68871 is hereby amended to read as  
4 follows:

5 704.68871 1. ~~[A]~~ *Except as otherwise provided by section 4*  
6 *of this act, a* competitive supplier is not subject to any review of  
7 earnings or monitoring of the rate base or any other regulation by  
8 the Commission relating to the net income or rate of return of the  
9 competitive supplier, and the Commission shall not consider the rate  
10 of return, the rate base or any other earnings of the competitive  
11 supplier in carrying out the provisions of NRS 704.68861 to  
12 704.68887, inclusive ~~[J]~~, *and sections 4 and 5 of this act.*

13 2. On or before May 15 of each year, a competitive supplier  
14 shall file with the Commission an annual statement of income, a  
15 balance sheet, a statement of cash flows for the total operations of  
16 the competitive supplier and a statement of intrastate service  
17 revenues, each prepared in accordance with generally accepted  
18 accounting principles.

19 3. ~~[A]~~ *Except as otherwise provided by section 4 of this act, a*  
20 *competitive supplier is not required to submit any other form of*  
21 *financial report or comply with any other accounting requirements,*  
22 *including, without limitation, requirements relating to depreciation*  
23 *and affiliate transactions, imposed upon a public utility by this*  
24 *chapter, chapter 703 of NRS or the regulations of the Commission.*

25 **Sec. 11.** NRS 704.68875 is hereby amended to read as  
26 follows:

27 704.68875 1. ~~[A]~~ *Except as otherwise provided by section 4*  
28 *of this act, a* competitive supplier is not required to maintain or file  
29 any schedule or tariff with the Commission.

30 2. For any area in which a competitive supplier is a provider of  
31 last resort, the competitive supplier:

32 (a) Shall publish the rates, pricing, terms and conditions of basic  
33 network service by:

34 (1) Posting such rates, pricing, terms and conditions  
35 electronically on a publicly available Internet website maintained by  
36 the competitive supplier;

37 (2) Maintaining for inspection by the public a copy of such  
38 rates, pricing, terms and conditions at the principal office in Nevada  
39 of the competitive supplier; or

40 (3) Delivering to the customer a copy of the rates, pricing,  
41 terms and conditions in writing with the first invoice, billing  
42 statement or other written summary of charges for the  
43 telecommunication service provided by the competitive supplier to  
44 the customer; and



1 (b) May publish the rates, pricing, terms and conditions of other  
2 telecommunication service by:

3 (1) Posting such rates, pricing, terms and conditions  
4 electronically on a publicly available Internet website maintained by  
5 the competitive supplier;

6 (2) Maintaining for inspection by the public a copy of such  
7 rates, pricing, terms and conditions at the principal office in Nevada  
8 of the competitive supplier; or

9 (3) Delivering to the customer a copy of the rates, pricing,  
10 terms and conditions in writing with the first invoice, billing  
11 statement or other written summary of charges for the  
12 telecommunication service provided by the competitive supplier to  
13 the customer.

14 **3. A competitive supplier that provides an inmate calling  
15 service shall publish the rates, terms and conditions of the inmate  
16 calling service by:**

17 **(a) Posting such rates, pricing, terms and conditions  
18 electronically on a publicly available Internet website maintained  
19 by the competitive supplier;**

20 **(b) Maintaining for inspection by the public a copy of such  
21 rates, pricing, terms and conditions at the principal office in  
22 Nevada of the competitive supplier; and**

23 **(c) Delivering to the customer a copy of the rates, pricing,  
24 terms and conditions in writing with the first invoice, billing  
25 statement or other written summary of charges for the  
26 telecommunication service provided by the competitive supplier to  
27 the customer.**

28 **Sec. 12.** A competitive supplier who, before October 1, 2021,  
29 provides an inmate calling service may, on or after October 1, 2021,  
30 continue to provide an inmate calling service, if the competitive  
31 supplier files with the Commission the tariff or schedule required by  
32 section 4 of this act not later than 30 days after the effective date of  
33 the regulations adopted by the Commission pursuant to section 5 of  
34 this act.

35 **Sec. 13.** Notwithstanding the provisions of NRS 218D.430 and  
36 218D.435, a committee, other than the Assembly Standing  
37 Committee on Ways and Means and the Senate Standing Committee  
38 on Finance, may vote on this act before the expiration of the period  
39 prescribed for the return of a fiscal note in NRS 218D.475. This  
40 section applies retroactively from and after March 22, 2021.

41 **Sec. 14.** 1. This section becomes effective upon passage and  
42 approval.

43 2. Sections 1 to 13, inclusive, of this act become effective:



- 1 (a) Upon passage and approval for the purpose of adopting any
- 2 regulations and performing any other preparatory administrative
- 3 tasks that are necessary to carry out the provisions of this act; and
- 4 (b) On October 1, 2021, for all other purposes.

