

**PROPOSED REGULATION OF
THE STATE CONTROLLER**

LCB File No. R069-98

June 2, 1998

EXPLANATION – Matter in *italics* is new; matter in brackets [] is material to be omitted.

AUTHORITY: §§1-9, NRS 353.3195.

Section 1. Chapter 353 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this regulation.

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 3 and 4 of this regulation have the meanings ascribed to them in those sections.*

Sec. 3. *“Authorized officer” has the meaning ascribed to it in subsection 2 of NRS 353.3195.*

Sec. 4. *“Electronic approval code” means a series of electronic symbols issued to an authorized officer by the state controller pursuant to subsection 1 of NRS 353.3195.*

Sec. 5. *An electronic approval code issued by the state controller or his designee to an authorized officer pursuant to subsection 1 of NRS 353.3195 may substitute for the handwritten or facsimile signature of the authorized officer on certain documents as set forth in NRS 353.3195.*

Sec. 6. *1. An authorized officer to whom an electronic approval code is issued:*

(a) Shall exercise reasonable care to retain control of his electronic approval code and to prevent its disclosure to any other person; and

(b) Shall not use his electronic approval code in an unauthorized or fraudulent manner.

2. Before an electronic approval code may be issued to an authorized officer, the officer must sign a written statement accepting responsibility for the protection and proper use of an electronic approval code pursuant to the provisions of this regulation and agreeing to indemnify the state for any loss or damage caused by his disclosure or unauthorized or fraudulent use, dissemination or publication of his electronic approval code .

Sec. 7. *A person who enters an electronic approval code into a document indicating his authorization or verification of the document certifies that he is the person to whom the electronic approval code was issued and that he is using the electronic approval code in an authorized manner.*

Sec. 8. *1. An electronic approval code that is issued to an authorized officer remains the property of the state controller.*

2. The state controller may terminate the authority of an authorized officer to use an electronic approval code at any time with or without cause.

3. The state controller may periodically audit the use of an electronic approval code at such times as he deems appropriate with or without cause.

Sec. 9. *1. The state controller may subject an authorized officer to disciplinary action or hold him personally liable for the disclosure or unauthorized or fraudulent use of his electronic approval code.*

2. The state controller may institute disciplinary action against a state employee or hold him personally liable for the disclosure or unauthorized or fraudulent use, dissemination or publication of an electronic approval code.