

SENATE BILL NO. 55—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE DIVISION OF INDUSTRIAL RELATIONS
OF THE DEPARTMENT OF BUSINESS AND INDUSTRY)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing the licensing and regulation of employee leasing companies. (BDR 53-317)

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

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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 employee leasing companies; transferring the duties for the licensing and certain regulation of certain companies which lease employees from the Administrator of the Division of Industrial Relations of the Department of Business and Industry to the Labor Commissioner; authorizing the Labor Commissioner to impose administrative penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law governs the operation of employee leasing companies, companies
2 which, pursuant to an agreement with a client company, place certain employees of
3 the client company on the payroll of the employee leasing company and lease those
4 employees back to the client company for a fee. (NRS 616B.670-616B.697)
5 **Section 1.5** of this bill: (1) replaces the defined term “employee leasing company”
6 with the term “professional employer organization”; and (2) includes within the
7 definitions of “client company” and “professional employer organization” certain
8 labor compliance services which a professional employer organization may
9 provide.
10 Existing law prohibits a person from operating an employee leasing company in
11 this State without obtaining a certificate of registration issued by the Administrator
12 of the Division of Industrial Relations of the Department of Business and Industry.
13 (NRS 616B.673) **Section 2** of this bill: (1) prohibits a person from operating a
14 professional employer organization without a license; and (2) transfers the duty to
15 issue a license from the Administrator to the Labor Commissioner.



16 Existing law requires an applicant for the issuance or renewal of a certificate of
17 registration to operate an employee leasing company to submit to the Administrator
18 a written application upon a form provided by the Administrator. (NRS 616B.676)
19 **Section 3** of this bill requires an applicant for a license to operate a professional
20 employer organization to instead submit an application to the Labor Commissioner
21 upon a form provided by the Labor Commissioner.

22 Existing law: (1) requires each application for a certificate of registration to
23 operate an employee leasing company to include any information the Administrator
24 requires; (2) requires an applicant to submit to the Administrator any change in the
25 required application information; and (3) authorizes the Administrator to revoke the
26 certificate of registration of an employee leasing company that fails to comply with
27 certain requirements in existing law. (NRS 616B.679) **Section 4** of this bill: (1)
28 requires each application for a license to operate a professional employer
29 organization to include certain information required by state law and the Labor
30 Commissioner; (2) requires an applicant to submit to the Labor Commissioner any
31 change in the required application information; and (3) transfers the authority to
32 refuse to issue or revoke a license for a professional employer organization that
33 fails to comply with the requirements in existing law to the Labor Commissioner.
34 **Section 4** of this bill also provides a professional employer organization with the
35 right to appeal a decision by the Labor Commissioner to refuse to issue or revoke a
36 license.

37 Existing law vests in the Administrator the authority to adopt regulations
38 setting forth qualifications for an assurance organization to act on behalf of an
39 employee leasing company in complying with certain requirements in existing law.
40 (NRS 616B.693) **Section 5** of this bill places the authority to adopt regulations
41 setting forth qualifications for an assurance organization to act on behalf of a
42 professional employer organization in complying with certain requirements in
43 existing law with the Labor Commissioner.

44 Existing law vests the authority to adopt regulations governing employee
45 leasing companies with the Administrator. (NRS 616B.694) **Section 6** of this bill
46 places the authority to adopt regulations governing professional employer
47 organizations with the Labor Commissioner and authorizes the Labor
48 Commissioner to investigate compliance with or enforce applicable law and
49 regulations that govern professional employer organizations.

50 Existing law authorizes an action for damages for a failure of an employee
51 leasing company to comply with certain provisions of state law. (NRS 616B.697)
52 **Section 7** of this bill authorizes: (1) an action for damages for such a failure by a
53 professional employer organization; and (2) the Labor Commissioner to impose an
54 administrative penalty of not more than \$5,000 for each such failure.

55 Existing law requires the Division of Industrial Relations of the Department of
56 Business and Industry to determine whether an employee leasing company is
57 entitled to a certificate of registration. (NRS 616A.465) **Section 1** of this bill
58 eliminates that requirement. However, the Division retains its authority in existing
59 law relating to the enforcement of the obligation of professional employer
60 organizations to provide workers' compensation coverage for the employees they
61 lease. (NRS 616B.692)

62 **Sections 4.2-4.8, 8-15 and 19** of this bill make conforming changes to reflect
63 the changes in terminology from "employee leasing company" to "professional
64 employer organization" and "registration" or "certificate of registration" to
65 "license." (NRS 363C.210, 616B.685, 616B.688, 616B.691, 616B.692, 616C.010,
66 616D.120, 689C.015, 689C.065, 689C.066, 689C.111, 689C.425)



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

1 **Section 1.** NRS 616A.465 is hereby amended to read as
2 follows:

3 616A.465 1. Except as otherwise provided in this section, the
4 Division shall:

5 (a) Regulate insurers pursuant to chapters 616A to 617,
6 inclusive, of NRS;

7 (b) Investigate insurers regarding compliance with statutes and
8 the Division's regulations; *and*

9 (c) ~~Determine whether an employee leasing company is entitled~~
10 ~~to a certificate of registration pursuant to NRS 616B.673; and~~

11 ~~—(d) Regulate [employee leasing companies] professional~~
12 ~~employer organizations pursuant to the provisions of NRS~~
13 ~~[616B.670 to 616B.697, inclusive.] 616B.692.~~

14 2. The Commissioner is responsible for reviewing rates,
15 investigating the solvency of insurers, authorizing private carriers
16 pursuant to chapter 680A of NRS and certifying:

17 (a) Self-insured employers pursuant to NRS 616B.300 to
18 616B.330, inclusive, and 616B.336;

19 (b) Associations of self-insured public or private employers
20 pursuant to NRS 616B.350 to 616B.446, inclusive; and

21 (c) Third-party administrators pursuant to chapter 683A of NRS.

22 3. The Department of Administration is responsible for
23 contested claims relating to industrial insurance pursuant to NRS
24 616C.310 to 616C.385, inclusive. The Administrator is responsible
25 for administrative appeals pursuant to NRS 616B.215.

26 4. The Nevada Attorney for Injured Workers is responsible for
27 legal representation of claimants pursuant to NRS 616A.435 to
28 616A.460, inclusive, and 616D.120.

29 5. The Division is responsible for the investigation of
30 complaints. If a complaint is filed with the Division, the
31 Administrator shall cause to be conducted an investigation which
32 includes a review of relevant records and interviews of affected
33 persons. If the Administrator determines that a violation may have
34 occurred, the Administrator shall proceed in accordance with the
35 provisions of NRS 616D.120 and 616D.130.

36 6. As used in this section, ~~["employee leasing company"]~~
37 ~~"professional employer organization"~~ has the meaning ascribed to
38 it in NRS 616B.670.

39 **Sec. 1.5.** NRS 616B.670 is hereby amended to read as follows:

40 616B.670 As used in NRS 616B.670 to 616B.697, inclusive,
41 unless the context otherwise requires:



1 1. "Applicant" means a person seeking a ~~certificate of~~
2 ~~registration~~ *license* pursuant to NRS 616B.670 to 616B.697,
3 inclusive, to operate ~~an employee-leasing company~~ *a professional*
4 *employer organization*.

5 2. "Client company" means a company which ~~leases~~ :

6 (a) *Utilizes a professional employer organization, for a fee, to*
7 *provide labor compliance services, including, without limitation,*
8 *the management of human resources, employee benefits, payroll*
9 *and workers' compensation; or*

10 (b) *Leases* employees, for a fee, from ~~an employee-leasing~~
11 ~~company~~ *a professional employer organization* pursuant to a
12 written or oral agreement.

13 3. ~~"Employee-leasing company" means a company which,~~
14 ~~pursuant to a written or oral agreement intended by the parties to~~
15 ~~create an ongoing relationship, places any of the regular, full-time~~
16 ~~employees of a client company on its payroll and, for a fee, leases~~
17 ~~them to the client company.~~

18 ~~—4.]~~ "Ongoing relationship" means a relationship wherein the
19 rights, duties and obligations of an employer which arise out of an
20 employment relationship are allocated between the ~~employee~~
21 ~~leasing company~~ *professional employer organization* and the
22 client company on an ongoing, long-term basis. The term does not
23 include a temporary or project-specific agreement between ~~an~~
24 ~~employee-leasing company~~ *a professional employer organization*
25 and a client company.

26 4. "Professional employer organization" means a company
27 which, pursuant to a written or oral agreement intended by the
28 parties to create an ongoing relationship:

29 (a) *Provides labor compliance services for a fee, including,*
30 *without limitation, the management of human resources,*
31 *employee benefits, payroll and workers' compensation; or*

32 (b) *Places any of the regular, full-time employees of a client*
33 *company on its payroll and, for a fee, leases them to the client*
34 *company.*

35 **Sec. 2.** NRS 616B.673 is hereby amended to read as follows:

36 616B.673 1. A person shall not operate ~~an employee-leasing~~
37 ~~company~~ *a professional employer organization* in this State unless
38 the person has complied with the provisions of NRS 616B.670 to
39 616B.697, inclusive. The ~~Administrator~~ *Labor Commissioner*
40 shall issue a ~~certificate of registration~~ *license* to each applicant
41 who complies with the provisions of NRS 616B.670 to 616B.697,
42 inclusive.

43 2. Any person who violates the provisions of subsection 1 is
44 guilty of a misdemeanor.



1 3. Each ~~certificate of registration~~ *license* issued by the
2 ~~Administrator~~ *Labor Commissioner* pursuant to NRS 616B.670 to
3 616B.697, inclusive, expires 1 year after it is issued unless renewed
4 before that date.

5 **Sec. 3.** NRS 616B.676 is hereby amended to read as follows:

6 616B.676 An applicant for the issuance or renewal of a
7 ~~certificate of registration~~ *license* must submit to the
8 ~~Administrator~~ *Labor Commissioner* a written application upon a
9 form provided by the ~~Administrator~~ *Labor Commissioner*.

10 **Sec. 4.** NRS 616B.679 is hereby amended to read as follows:

11 616B.679 1. Each application must include:

12 (a) The applicant's name and title of his or her position with the
13 ~~employee leasing company~~ *professional employer organization*.

14 (b) The applicant's age, place of birth and social security
15 number.

16 (c) The applicant's address.

17 (d) The business address of the ~~employee leasing company~~
18 *professional employer organization*.

19 (e) The business address of the registered agent of the
20 ~~employee leasing company~~ *professional employer organization*,
21 if the applicant is not the registered agent.

22 (f) If the applicant is a:

23 (1) Partnership, the name of the partnership and the name,
24 address, age, social security number and title of each partner.

25 (2) Corporation, the name of the corporation and the name,
26 address, age, social security number and title of each officer of the
27 corporation.

28 (g) Proof of:

29 (1) Compliance with the provisions of chapter 76 of NRS.

30 (2) The payment of any premiums for industrial insurance
31 required by chapters 616A to 617, inclusive, of NRS ~~and~~ *and*
32 *compliance with NRS 616B.692*.

33 (3) The payment of contributions or payments in lieu of
34 contributions required by chapter 612 of NRS.

35 (4) Insurance coverage for any benefit plan from an insurer
36 authorized pursuant to title 57 of NRS that is offered by the
37 ~~employee leasing company~~ *professional employer organization* to
38 its employees.

39 (h) A financial statement of the applicant setting forth the
40 financial condition of the ~~employee leasing company~~ *professional*
41 *employer organization*. Except as otherwise provided in subsection
42 5, the financial statement must include, without limitation:

43 (1) For an application for issuance of a ~~certificate of~~
44 *registration*, *license*, the most recent audited financial statement



1 that includes the applicant, which must have been completed not
2 more than 13 months before the date of application; or

3 (2) For an application for renewal of a ~~certificate of~~
4 ~~registration, license,~~ an audited financial statement that includes the
5 applicant and which must have been completed not more than 180
6 days after the end of the applicant's fiscal year.

7 (i) ~~A registration~~ *An issuance* or renewal fee of \$500.

8 (j) Any other information the ~~Administrator~~ *Labor*
9 *Commissioner* requires.

10 2. Each application must be notarized and signed under penalty
11 of perjury:

12 (a) If the applicant is a sole proprietorship, by the sole
13 proprietor.

14 (b) If the applicant is a partnership, by each partner.

15 (c) If the applicant is a corporation, by each officer of the
16 corporation.

17 3. An applicant shall submit to the ~~Administrator~~ *Labor*
18 *Commissioner* any change in the information required by this
19 section within 30 days after the change occurs. The ~~Administrator~~
20 *Labor Commissioner* may *refuse to issue a license to or* revoke the
21 ~~certificate of registration license~~ of ~~an employee leasing~~
22 ~~company~~ *a professional employer organization* which fails to
23 comply with the provisions of NRS 616B.670 to 616B.697,
24 inclusive. *If the Labor Commissioner refuses to issue or revokes a*
25 *license pursuant to this subsection, the professional employer*
26 *organization has the right to appeal the decision of the Labor*
27 *Commissioner.*

28 4. If an insurer cancels ~~an employee leasing company's~~ *a*
29 *professional employer organization's* policy, the insurer shall
30 immediately notify the ~~Administrator~~ *Labor Commissioner*
31 in writing. The notice must comply with the provisions of NRS
32 687B.310 to 687B.355, inclusive, and must be served personally on
33 or sent by first-class mail or electronic transmission to the
34 ~~Administrator~~ *Labor Commissioner.*

35 5. A financial statement submitted with an application pursuant
36 to this section must be prepared in accordance with generally
37 accepted accounting principles, must be audited by an independent
38 certified public accountant certified or licensed to practice in the
39 jurisdiction in which the accountant is located and must be without
40 qualification as to the status of the ~~employee leasing company~~
41 *professional employer organization* as a going concern. Except as
42 otherwise provided in subsection 6, ~~an employee leasing company~~
43 *a professional employer organization* that has not had sufficient
44 operating history to have an audited financial statement based upon
45 at least 12 months of operating history must present financial



1 statements reviewed by a certified public accountant covering its
2 entire operating history. The financial statements must be prepared
3 not more than 13 months before the submission of an application
4 and must:

5 (a) Demonstrate, in the statement, positive working capital, as
6 defined by generally accepted accounting principles, for the period
7 covered by the financial statements; or

8 (b) Be accompanied by a bond, irrevocable letter of credit or
9 securities with a minimum market value equaling the maximum
10 deficiency in working capital for the period covered by the financial
11 statements plus \$100,000. The bond, irrevocable letter of credit or
12 securities must be held by a depository institution designated by the
13 ~~{Administrator}~~ *Labor Commissioner* to secure payment by the
14 applicant of all taxes, wages, benefits or other entitlements payable
15 by the applicant.

16 6. An applicant required to submit a financial statement
17 pursuant to this section may submit a consolidated or combined
18 audited financial statement that includes, but is not exclusive to, the
19 applicant.

20 **Sec. 4.2.** NRS 616B.685 is hereby amended to read as follows:

21 616B.685 If a person operates ~~{an employee leasing company}~~
22 *a professional employer organization* and a temporary employment
23 service in this State, the person:

24 1. Shall maintain separate payroll records for the ~~{company}~~
25 *organization* and the service. The records must be maintained in
26 this State.

27 2. Shall not maintain a policy of workers' compensation
28 insurance which covers both employees of the ~~{employee leasing}~~
29 ~~company}~~ *professional employer organization* and employees of
30 the temporary employment service.

31 **Sec. 4.4.** NRS 616B.688 is hereby amended to read as follows:

32 616B.688 The employment relationship with workers provided
33 by ~~{an employee leasing company}~~ *a professional employer*
34 *organization* to a client company must be established by written
35 agreement between the ~~{employee leasing company}~~ *professional*
36 *employer organization* and the client company. The ~~{employee}~~
37 ~~leasing company}~~ *professional employer organization* shall give
38 written notice of the employment relationship to each leased
39 employee assigned to perform services for the client company.

40 **Sec. 4.6.** NRS 616B.691 is hereby amended to read as follows:

41 616B.691 1. A client company of ~~{an employee leasing}~~
42 ~~company}~~ *a professional employer organization* as defined in NRS
43 616B.670 shall be deemed to be the employer of the employees it
44 leases for the purposes of chapter 612 of NRS.



1 2. ~~[An employee leasing company]~~ **A professional employer**
2 **organization** shall be deemed to be an employer of its leased
3 employees for the purposes of offering, sponsoring and maintaining
4 any benefit plans. The provisions of this subsection do not affect the
5 employer-employee relationship that exists between a leased
6 employee and a client company.

7 3. ~~[An employee leasing company]~~ **A professional employer**
8 **organization** shall not offer, sponsor or maintain for its leased
9 employees any self-funded insurance program. ~~[An employee~~
10 ~~leasing company]~~ **A professional employer organization** shall not
11 act as a self-insured employer or be a member of an association of
12 self-insured public or private employers pursuant to chapters 616A
13 to 616D, inclusive, or chapter 617 of NRS or title 57 of NRS.

14 4. If ~~[an employee leasing company]~~ **a professional employer**
15 **organization** fails to:

- 16 (a) Pay any contributions, premiums, forfeits or interest due; or
- 17 (b) Submit any reports or other information required,

18 ↪ pursuant to this chapter or chapter 616A, 616C, 616D or 617 of
19 NRS, the client company is jointly and severally liable for the
20 contributions, premiums, forfeits or interest attributable to the wages
21 of the employees leased to it by the ~~[employee leasing company.]~~
22 **professional employer organization.**

23 **Sec. 4.8.** NRS 616B.692 is hereby amended to read as follows:

24 616B.692 1. ~~[An employee leasing company]~~ **A professional**
25 **employer organization** may satisfy its obligation to provide
26 coverage for workers' compensation for the employees that the
27 ~~[employee leasing company]~~ **professional employer organization**
28 leases to each client company by:

29 (a) Confirming that the client company has obtained a policy of
30 workers' compensation insurance directly from an insurer, and
31 maintains that policy, which covers all of the employees of the
32 client company, including, without limitation, the employees leased
33 from the ~~[employee leasing company.]~~ **professional employer**
34 **organization**, subject to the same requirements and conditions as if
35 the client company were the sole employer of the leased employees
36 for the purpose of providing coverage for workers' compensation;

37 (b) Confirming that the client company is a member of an
38 association of self-insured employers which is certified by the
39 Commissioner and which has assumed responsibility, and maintains
40 responsibility, for covering all of the employees of the client
41 company, including, without limitation, the employees leased from
42 the ~~[employee leasing company.]~~ **professional employer**
43 **organization**, subject to the same requirements and conditions as if
44 the client company were the sole employer of the leased employees
45 for the purpose of providing coverage for workers' compensation;



1 (c) Confirming that the client company is certified by the
2 Commissioner as a self-insured employer which self-insures all of
3 the employees of the client company, including, without limitation,
4 the employees leased from the ~~{employee leasing company,}~~
5 *professional employer organization*, subject to the same
6 requirements and conditions as if the client company were the sole
7 employer of the leased employees for the purpose of providing
8 coverage for workers' compensation;

9 (d) Obtaining a policy of workers' compensation insurance
10 directly from an insurer on a multiple coordinated policy basis, and
11 maintaining that policy, which covers all of the employees leased to
12 the client company or all of the employees leased to the client
13 company and other client companies affiliated with the client
14 company such that:

15 (1) The policy covers the liability of both the ~~{employee~~
16 ~~leasing company}~~ *professional employer organization* and the
17 client company or companies for payments required by chapters
18 616A to 616D, inclusive, or chapter 617 of NRS;

19 (2) A separate policy is issued to or on behalf of each client
20 company or group of affiliated client companies under the multiple
21 coordinated policy; and

22 (3) The ~~{employee leasing company}~~ *professional employer*
23 *organization* controls payments and communications related to the
24 policy; or

25 (e) Obtaining a policy of workers' compensation insurance on a
26 master policy basis directly from an insurer, and maintaining that
27 policy, which:

28 (1) Covers some or all of the employees of the ~~{employee~~
29 ~~leasing company}~~ *professional employer organization* who are
30 leased to one or more client companies; and

31 (2) May cover all of the employees of the ~~{employee leasing~~
32 ~~company}~~ *professional employer organization* who work directly
33 for the ~~{employee leasing company}~~ *professional employer*
34 *organization* and are not leased to any client company.

35 2. With respect to a policy of workers' compensation insurance
36 described in paragraph (a) of subsection 1:

37 (a) The policy may name the ~~{employee leasing company}~~
38 *professional employer organization* as an additional insured; and

39 (b) If the ~~{employee leasing company}~~ *professional employer*
40 *organization* is licensed as a producer of insurance pursuant to NRS
41 683A.261 and is authorized by the insurer, the ~~{employee leasing~~
42 ~~company}~~ *professional employer organization* may negotiate
43 coverage, collect premiums on behalf of the insurer and otherwise
44 act as an intermediary with respect to the policy.



1 3. If ~~{an employee leasing company}~~ *a professional employer*
2 *organization* or a client company maintains a policy of workers'
3 compensation insurance which provides coverage for leased
4 employees, each insurer insuring leased employees shall report to
5 the Advisory Organization, as defined in NRS 686B.1752:

6 (a) Payroll and claims data for each client company in a manner
7 that identifies both the client company and the ~~{employee leasing~~
8 ~~company;}~~ *professional employer organization;* and

9 (b) The status of coverage with respect to each client company
10 in accordance with any applicable requirements regarding proof of
11 coverage.

12 4. If the services that ~~{an employee leasing company}~~ *a*
13 *professional employer organization* offers to a client company do
14 not include obtaining and maintaining a policy of workers'
15 compensation insurance for the employees which the ~~{employee~~
16 ~~leasing company}~~ *professional employer organization* will lease to
17 the client company, the ~~{employee leasing company}~~ *professional*
18 *employer organization* shall:

19 (a) Before entering into an agreement with the client company to
20 provide services as ~~{an employee leasing company;}~~ *a professional*
21 *employer organization*, provide written notice to the client company
22 that the client company will remain responsible for providing
23 coverage for workers' compensation for all of the employees of the
24 client company, including, without limitation, the employees leased
25 from the ~~{employee leasing company;}~~ *professional employer*
26 *organization;* and

27 (b) In the written agreement with the client company to provide
28 services as ~~{an employee leasing company;}~~ *a professional*
29 *employer organization*, clearly set forth the responsibility of the
30 client company to provide coverage for workers' compensation for
31 all of the employees of the client company, including, without
32 limitation, the employees leased from the ~~{employee leasing~~
33 ~~company;}~~ *professional employer organization.*

34 5. If ~~{an employee leasing company}~~ *a professional employer*
35 *organization* offers to provide coverage for workers' compensation
36 for the employees that the ~~{employee leasing company}~~ *professional*
37 *employer organization* leases to a client company in accordance
38 with paragraph (d) or (e) of subsection 1:

39 (a) The coverage for workers' compensation must not take effect
40 until the client company executes the written agreement required by
41 NRS 616B.688 between the ~~{employee leasing company}~~
42 *professional employer organization* and the client company; and

43 (b) The written agreement required by NRS 616B.688 between
44 the ~~{employee leasing company}~~ *professional employer*
45 *organization* and the client company must:



1 (1) Explain that coverage for workers' compensation does
2 not take effect until the effective date designated by the insurer in
3 the policy of workers' compensation insurance;

4 (2) Provide that, while the policy of workers' compensation
5 insurance is in force, the ~~employee leasing company~~ *professional*
6 *employer organization* will pay all premiums required by the
7 policy, including, without limitation, any adjustments or
8 assessments, and will be entitled to any refunds of premiums;

9 (3) Set forth the procedures by which the client company or
10 the ~~employee leasing company~~ *professional employer*
11 *organization* may terminate the agreement and any fees or costs
12 payable upon termination;

13 (4) Provide that, except as otherwise provided by law, all
14 services provided by the ~~employee leasing company~~ *professional*
15 *employer organization* to the client company will cease
16 immediately on the effective date of any termination of the
17 agreement;

18 (5) Provide that the insurer from whom the policy of
19 workers' compensation insurance is obtained by the ~~employee~~
20 ~~leasing company~~ *professional employer organization* has the right
21 to inspect the premises and records of the client company;

22 (6) Provide that the loss experience of the client company
23 will continue to be reported in the name of the client company to the
24 Commissioner and will be available to subsequent insurers upon
25 request;

26 (7) Provide that the policy of workers' compensation
27 insurance covers only those employees acknowledged in writing by
28 the ~~employee leasing company~~ *professional employer*
29 *organization* to be employees of the ~~employee leasing company~~
30 *professional employer organization* who are being leased to the
31 client company;

32 (8) Explain that the client company is responsible at all times
33 for providing coverage for workers' compensation for any
34 employees of the client company who are not leased from the
35 ~~employee leasing company;~~ *professional employer organization;*
36 and

37 (9) Provide that the client company must provide satisfactory
38 evidence of the coverage required by subparagraph (8) to the insurer
39 from whom the policy of workers' compensation insurance is
40 obtained by the ~~employee leasing company.~~ *professional*
41 *employer organization.*

42 6. Nothing in this section prohibits the employees of ~~an~~
43 ~~employee leasing company~~ *a professional employer organization*
44 who are leased to one or more client companies from being
45 considered as a group for the purposes of any eligibility for



1 dividends, discounts on premiums, rating arrangements or options or
2 obtaining policies with large deductibles.

3 7. The exclusive remedy provided by NRS 616A.020 applies to
4 the ~~{employee leasing company,}~~ **professional employer**
5 **organization**, the client company and to all employees of the client
6 company, including, without limitation, the employees leased from
7 the ~~{employee leasing company,}~~ **professional employer**
8 **organization**, whether the ~~{employee leasing company}~~
9 **professional employer organization** or the client company provides
10 the coverage for workers' compensation.

11 8. The Administrator and the Commissioner may adopt
12 regulations to carry out the provisions of this section.

13 9. *As used in this section:*

14 (a) *"Client company" has the meaning ascribed to it in*
15 *NRS 616B.670.*

16 (b) *"Professional employer organization" has the meaning*
17 *ascribed to it in NRS 616B.670.*

18 **Sec. 5.** NRS 616B.693 is hereby amended to read as follows:

19 616B.693 1. The ~~{Administrator}~~ **Labor Commissioner** may
20 adopt regulations authorizing and setting forth qualifications for an
21 assurance organization selected by ~~{an employee leasing company}~~
22 **a professional employer organization** to act on behalf of the
23 ~~{employee leasing company}~~ **professional employer organization** in
24 complying with the requirements of NRS 616B.670 to 616B.697,
25 inclusive, and any regulations adopted pursuant thereto, including,
26 without limitation, any requirements regarding obtaining or
27 renewing a ~~{certificate of registration,}~~ **license**. Such an assurance
28 organization must be independent of the ~~{employee leasing~~
29 ~~company}~~ **professional employer organization** and approved by the
30 ~~{Administrator,}~~ **Labor Commissioner**.

31 2. Nothing in this section or any regulations adopted pursuant
32 thereto:

33 (a) Limits or otherwise affects the authority of the
34 ~~{Administrator}~~ **Labor Commissioner** to issue or revoke a
35 ~~{certificate of registration}~~ **license** of ~~{an employee leasing~~
36 ~~company}~~ **a professional employer organization** subject to the
37 appeals process;

38 (b) Limits or otherwise affects the authority of the
39 ~~{Administrator}~~ **Labor Commissioner** to investigate compliance
40 with or enforce any provision of NRS 616B.670 to 616B.697,
41 inclusive, and any regulations adopted pursuant thereto; or

42 (c) Requires ~~{an employee leasing company}~~ **a professional**
43 **employer organization** to authorize an assurance organization to act
44 on its behalf.



1 3. As used in this section, "assurance organization" means a
2 person who meets the qualifications set forth by the ~~[Administrator]~~
3 *Labor Commissioner* pursuant to regulations adopted pursuant to
4 subsection 1.

5 **Sec. 6.** NRS 616B.694 is hereby amended to read as follows:

6 616B.694 The ~~[Administrator]~~ *Labor Commissioner*:

7 *1. Shall administer the provisions of NRS 616B.670 to*
8 *616B.697, inclusive, and may adopt reasonable regulations to carry*
9 *out ~~[the]~~ those provisions . ~~[of NRS 616B.670 to 616B.697,~~*
10 *~~inclusive.]~~*

11 *2. May investigate compliance with or enforce any provision*
12 *of NRS 616B.670 to 616B.697, inclusive, and any regulations*
13 *adopted pursuant thereto.*

14 **Sec. 7.** NRS 616B.697 is hereby amended to read as follows:

15 616B.697 *1. An action for damages caused by the failure of*
16 *~~[an employee leasing company]~~ a professional employer*
17 *organization to comply with the provisions of NRS 616B.670 to*
18 *616B.697, inclusive, may be brought against any person who is*
19 *required to sign the application for a ~~[certificate of registration]~~*
20 *license for the ~~[employee leasing company.]~~ professional employer*
21 *organization.*

22 *2. In addition to any other remedy or penalty prescribed by*
23 *law, the Labor Commissioner may impose against the person an*
24 *administrative penalty of not more than \$5,000 for each such*
25 *failure.*

26 **Sec. 8.** NRS 616C.010 is hereby amended to read as follows:

27 616C.010 *1. Whenever any accident occurs to any employee,*
28 *the employee shall forthwith report the accident and the injury*
29 *resulting therefrom to his or her employer.*

30 *2. When an employer learns of an accident, whether or not it is*
31 *reported, the employer may direct the employee to submit to, or the*
32 *employee may request, an examination by a physician or*
33 *chiropractor, in order to ascertain the character and extent of the*
34 *injury and render medical attention which is required immediately.*
35 *The employer shall:*

36 (a) If the employer's insurer has entered into a contract with an
37 organization for managed care or with providers of health care
38 pursuant to NRS 616B.527, furnish the names, addresses and
39 telephone numbers of:

40 (1) Two or more physicians or chiropractors who are
41 qualified to conduct the examination and who are available pursuant
42 to the terms of the contract, if there are two or more such physicians
43 or chiropractors within 30 miles of the employee's place of
44 employment; or



1 (2) One or more physicians or chiropractors who are
2 qualified to conduct the examination and who are available pursuant
3 to the terms of the contract, if there are not two or more such
4 physicians or chiropractors within 30 miles of the employee's place
5 of employment.

6 (b) If the employer's insurer has not entered into a contract with
7 an organization for managed care or with providers of health care
8 pursuant to NRS 616B.527, furnish the names, addresses and
9 telephone numbers of:

10 (1) Two or more physicians or chiropractors who are
11 qualified to conduct the examination, if there are two or more such
12 physicians or chiropractors within 30 miles of the employee's place
13 of employment; or

14 (2) One or more physicians or chiropractors who are
15 qualified to conduct the examination, if there are not two or more
16 such physicians or chiropractors within 30 miles of the employee's
17 place of employment.

18 3. From among the names furnished by the employer pursuant
19 to subsection 2, the employee shall select one of those physicians or
20 chiropractors to conduct the examination, but the employer shall not
21 require the employee to select a particular physician or chiropractor
22 from among the names furnished by the employer. Thereupon, the
23 examining physician or chiropractor shall report forthwith to the
24 employer and to the insurer the character and extent of the injury.
25 The employer shall not require the employee to disclose or permit
26 the disclosure of any other information concerning the employee's
27 physical condition except as required by NRS 616C.177.

28 4. Further medical attention, except as otherwise provided in
29 NRS 616C.265, must be authorized by the insurer.

30 5. This section does not prohibit an employer from requiring
31 the employee to submit to an examination by a physician or
32 chiropractor specified by the employer at any convenient time after
33 medical attention which is required immediately has been
34 completed.

35 6. ~~[An employee leasing company]~~ *A professional employer*
36 *organization* must provide to each employee covered under an
37 employee leasing contract instructions on how to notify the ~~leasing~~
38 ~~company supervisor and~~ client company *and the employee's*
39 *supervisor at the professional employer organization* of an injury
40 in plain, clear language placed in conspicuous type in a specifically
41 labeled area of instructions given to the employee.

42 **Sec. 9.** NRS 616D.120 is hereby amended to read as follows:

43 616D.120 1. Except as otherwise provided in this section, if
44 the Administrator determines that an insurer, organization for
45 managed care, health care provider, third-party administrator,



1 employer or ~~employee-leasing company~~ *professional employer*
2 *organization* has:

3 (a) Induced a claimant to fail to report an accidental injury or
4 occupational disease;

5 (b) Without justification, persuaded a claimant to:

6 (1) Settle for an amount which is less than reasonable;

7 (2) Settle for an amount which is less than reasonable while a
8 hearing or an appeal is pending; or

9 (3) Accept less than the compensation found to be due the
10 claimant by a hearing officer, appeals officer, court of competent
11 jurisdiction, written settlement agreement, written stipulation or the
12 Division when carrying out its duties pursuant to chapters 616A to
13 617, inclusive, of NRS;

14 (c) Refused to pay or unreasonably delayed payment to a
15 claimant of compensation or other relief found to be due the
16 claimant by a hearing officer, appeals officer, court of competent
17 jurisdiction, written settlement agreement, written stipulation or the
18 Division when carrying out its duties pursuant to chapters 616A to
19 616D, inclusive, or chapter 617 of NRS, if the refusal or delay
20 occurs:

21 (1) Later than 10 days after the date of the settlement
22 agreement or stipulation;

23 (2) Later than 30 days after the date of the decision of a
24 court, hearing officer, appeals officer or the Division, unless a stay
25 has been granted; or

26 (3) Later than 10 days after a stay of the decision of a court,
27 hearing officer, appeals officer or the Division has been lifted;

28 (d) Refused to process a claim for compensation pursuant to
29 chapters 616A to 616D, inclusive, or chapter 617 of NRS;

30 (e) Made it necessary for a claimant to initiate proceedings
31 pursuant to chapters 616A to 616D, inclusive, or chapter 617 of
32 NRS for compensation or other relief found to be due the claimant
33 by a hearing officer, appeals officer, court of competent jurisdiction,
34 written settlement agreement, written stipulation or the Division
35 when carrying out its duties pursuant to chapters 616A to 616D,
36 inclusive, or chapter 617 of NRS;

37 (f) Failed to comply with the Division's regulations covering the
38 payment of an assessment relating to the funding of costs of
39 administration of chapters 616A to 617, inclusive, of NRS;

40 (g) Failed to provide or unreasonably delayed payment to an
41 injured employee or reimbursement to an insurer pursuant to
42 NRS 616C.165;

43 (h) Engaged in a pattern of untimely payments to injured
44 employees; or



1 (i) Intentionally failed to comply with any provision of, or
2 regulation adopted pursuant to, this chapter or chapter 616A, 616B,
3 616C or 617 of NRS,

4 ↳ the Administrator shall impose an administrative fine of \$1,500
5 for each initial violation, or a fine of \$15,000 for a second or
6 subsequent violation.

7 2. Except as otherwise provided in chapters 616A to 616D,
8 inclusive, or chapter 617 of NRS, if the Administrator determines
9 that an insurer, organization for managed care, health care provider,
10 third-party administrator, employer or ~~employee-leasing company~~
11 *professional employer organization* has failed to comply with any
12 provision of this chapter or chapter 616A, 616B, 616C or 617 of
13 NRS, or any regulation adopted pursuant thereto, the Administrator
14 may take any of the following actions:

15 (a) Issue a notice of correction for:

16 (1) A minor violation, as defined by regulations adopted by
17 the Division; or

18 (2) A violation involving the payment of compensation in an
19 amount which is greater than that required by any provision of this
20 chapter or chapter 616A, 616B, 616C or 617 of NRS, or any
21 regulation adopted pursuant thereto.

22 ↳ The notice of correction must set forth with particularity the
23 violation committed and the manner in which the violation may be
24 corrected. The provisions of this section do not authorize the
25 Administrator to modify or negate in any manner a determination or
26 any portion of a determination made by a hearing officer, appeals
27 officer or court of competent jurisdiction or a provision contained in
28 a written settlement agreement or written stipulation.

29 (b) Impose an administrative fine for:

30 (1) A second or subsequent violation for which a notice of
31 correction has been issued pursuant to paragraph (a); or

32 (2) Any other violation of this chapter or chapter 616A,
33 616B, 616C or 617 of NRS, or any regulation adopted pursuant
34 thereto, for which a notice of correction may not be issued pursuant
35 to paragraph (a).

36 ↳ The fine imposed must not be greater than \$375 for an initial
37 violation, or more than \$3,000 for any second or subsequent
38 violation.

39 (c) Order a plan of corrective action to be submitted to the
40 Administrator within 30 days after the date of the order.

41 3. If the Administrator determines that a violation of any of the
42 provisions of paragraphs (a) to (e), inclusive, (h) or (i) of subsection
43 1 has occurred, the Administrator shall order the insurer,
44 organization for managed care, health care provider, third-party
45 administrator, employer or ~~employee-leasing company~~



1 *professional employer organization* to pay to the claimant a benefit
2 penalty:

3 (a) Except as otherwise provided in paragraph (b), in an amount
4 that is not less than \$5,000 and not greater than \$50,000; or

5 (b) Of \$3,000 if the violation involves a late payment of
6 compensation or other relief to a claimant in an amount which is
7 less than \$500 or which is not more than 14 days late.

8 4. To determine the amount of the benefit penalty, the
9 Administrator shall consider the degree of physical harm suffered by
10 the injured employee or the dependents of the injured employee as a
11 result of the violation of paragraph (a), (b), (c), (d), (e), (h) or (i) of
12 subsection 1, the amount of compensation found to be due the
13 claimant and the number of fines and benefit penalties, other than a
14 benefit penalty described in paragraph (b) of subsection 3,
15 previously imposed against the insurer, organization for managed
16 care, health care provider, third-party administrator, employer or
17 ~~employee-leasing-company~~ *professional employer organization*
18 pursuant to this section. The Administrator shall also consider the
19 degree of economic harm suffered by the injured employee or the
20 dependents of the injured employee as a result of the violation of
21 paragraph (a), (b), (c), (d), (e), (h) or (i) of subsection 1. Except as
22 otherwise provided in this section, the benefit penalty is for the
23 benefit of the claimant and must be paid directly to the claimant
24 within 10 days after the date of the Administrator's determination. If
25 the claimant is the injured employee and the claimant dies before the
26 benefit penalty is paid to him or her, the benefit penalty must be
27 paid to the estate of the claimant. Proof of the payment of the
28 benefit penalty must be submitted to the Administrator within 10
29 days after the date of the Administrator's determination unless an
30 appeal is filed pursuant to NRS 616D.140. Any compensation to
31 which the claimant may otherwise be entitled pursuant to chapters
32 616A to 616D, inclusive, or chapter 617 of NRS must not be
33 reduced by the amount of any benefit penalty received pursuant to
34 this subsection. To determine the amount of the benefit penalty in
35 cases of multiple violations occurring within a certain period of
36 time, the Administrator shall adopt regulations which take into
37 consideration:

38 (a) The number of violations within a certain number of years
39 for which a benefit penalty was imposed; and

40 (b) The number of claims handled by the insurer, organization
41 for managed care, health care provider, third-party administrator,
42 employer or ~~employee-leasing-company~~ *professional employer*
43 *organization* in relation to the number of benefit penalties
44 previously imposed within the period of time prescribed pursuant to
45 paragraph (a).



1 5. In addition to any fine or benefit penalty imposed pursuant
2 to this section, the Administrator may assess against an insurer who
3 violates any regulation concerning the reporting of claims
4 expenditures or premiums received that are used to calculate an
5 assessment an administrative penalty of up to twice the amount of
6 any underpaid assessment.

7 6. If:

8 (a) The Administrator determines that a person has violated any
9 of the provisions of NRS 616D.200, 616D.220, 616D.240,
10 616D.300, 616D.310 or 616D.350 to 616D.440, inclusive; and

11 (b) The Fraud Control Unit for Industrial Insurance of the Office
12 of the Attorney General established pursuant to NRS 228.420
13 notifies the Administrator that the Unit will not prosecute the person
14 for that violation,

15 ➔ the Administrator shall impose an administrative fine of not more
16 than \$15,000.

17 7. Two or more fines of \$1,000 or more imposed in 1 year for
18 acts enumerated in subsection 1 must be considered by the
19 Commissioner as evidence for the withdrawal of:

20 (a) A certificate to act as a self-insured employer.

21 (b) A certificate to act as an association of self-insured public or
22 private employers.

23 (c) A certificate of registration as a third-party administrator.

24 8. The Commissioner may, without complying with the
25 provisions of NRS 616B.327 or 616B.431, withdraw the
26 certification of a self-insured employer, association of self-insured
27 public or private employers or third-party administrator if, after a
28 hearing, it is shown that the self-insured employer, association of
29 self-insured public or private employers or third-party administrator
30 violated any provision of subsection 1.

31 9. If the Administrator determines that a vocational
32 rehabilitation counselor has violated the provisions of NRS
33 616C.543, the Administrator may impose an administrative fine on
34 the vocational rehabilitation counselor of not more than \$250 for a
35 first violation, \$500 for a second violation and \$1,000 for a third or
36 subsequent violation.

37 10. The Administrator may make a claim against the bond
38 required pursuant to NRS 683A.0857 for the payment of any
39 administrative fine or benefit penalty imposed for a violation of the
40 provisions of this section.

41 **Sec. 10.** NRS 363C.210 is hereby amended to read as follows:

42 363C.210 1. In computing the commerce tax owed by a
43 business entity pursuant to this chapter, the business entity is
44 entitled to deduct from its gross revenue the following amounts, to



1 the extent such amounts are included in gross revenue of the
2 business entity:

3 (a) Any gross revenue which this State is prohibited from taxing
4 pursuant to the Constitution or laws of the United States or the
5 Nevada Constitution.

6 (b) Any gross revenue of the business entity attributable to
7 dividends and interest upon any bonds or securities of the Federal
8 Government, the State of Nevada or a political subdivision of this
9 State.

10 (c) If a business entity is required to pay a license fee pursuant
11 to NRS 463.370, the amount of its gross receipts used to determine
12 the amount of that fee.

13 (d) If the business entity is required to pay a tax on the net
14 proceeds from mineral extraction and royalties subject to the excise
15 tax pursuant to the provisions of NRS 362.100 to 362.240, inclusive,
16 the amount of the gross proceeds used to determine the amount of
17 that tax.

18 (e) If the business entity is required to pay the tax imposed by
19 chapter 369 of NRS, an amount equal to the amount of the excise
20 tax paid pursuant to that chapter by the business entity.

21 (f) If the business entity is required to pay the tax imposed
22 pursuant to chapter 680B of NRS:

23 (1) The amount of the total income derived from direct
24 premiums written and all other considerations for insurance, bail or
25 annuity contracts used to determine the amount of the tax imposed
26 pursuant to chapter 680B of NRS;

27 (2) Any amounts excluded from total income derived from
28 direct premiums pursuant to NRS 680B.025; and

29 (3) Gross premiums upon policies on risks located in this
30 State received by a factory mutual and amounts deducted from such
31 gross premiums to determine the amount of the tax imposed by NRS
32 680B.027 upon the factory mutual pursuant to NRS 680B.033.

33 (g) If the business entity is required to pay the tax imposed
34 pursuant to NRS 694C.450, the amount of the net direct premiums,
35 as defined in that section, used to determine the amount of that tax.

36 (h) If the business entity is required to pay the tax imposed
37 pursuant to NRS 685A.180, the amount of the premiums, as defined
38 in that section, used to determine the amount of that tax.

39 (i) Except as otherwise provided by paragraph (j), the total
40 amount of payments received by a health care provider:

41 (1) From Medicaid, Medicare, the Children's Health
42 Insurance Program, the Fund for Hospital Care to Indigent Persons
43 created pursuant to NRS 428.175 or TRICARE;

44 (2) For professional services provided in relation to a
45 workers' compensation claim; and



1 (3) For the actual cost to the health care provider for any
2 uncompensated care provided by the health care provider, except
3 that if the health care provider later receives payment for all or part
4 of that care, the health care provider must include the amount of the
5 payment in his or her gross receipts for the calendar quarter in
6 which the payment is received.

7 (j) If the business entity is engaging in a business in this State as
8 a health care provider that is a health care institution, an amount
9 equal to 50 percent of the amounts described in paragraph (i) that
10 are received by the health care institution.

11 (k) If the business entity is engaging in business in this State as
12 ~~[an employee leasing company,]~~ *a professional employer*
13 *organization*, the amount of any payments received from a client
14 company for wages, payroll taxes on those wages, employee
15 benefits and workers' compensation benefits for employees leased
16 to the client company.

17 (l) The amount of any pass-through revenue of the business
18 entity.

19 (m) The tax basis of securities and loans sold by the business
20 entity, as determined for the purposes of federal income taxation.

21 (n) The amount of revenue received by the business entity that is
22 directly derived from the operation of a facility that is:

23 (1) Located on property owned or leased by the Federal
24 Government; and

25 (2) Managed or operated primarily to house members of the
26 Armed Forces of the United States.

27 (o) Interest income other than interest on credit sales.

28 (p) Dividends and distributions from corporations, and
29 distributive or proportionate shares of receipts and income from a
30 pass-through entity.

31 (q) Receipts from the sale, exchange or other disposition of an
32 asset described in section 1221 or 1231 of the Internal Revenue
33 Code, 26 U.S.C. § 1221 or 1231, without regard to the length of
34 time the business entity held the asset.

35 (r) Receipts from a hedging transaction, as defined in section
36 1221 of the Internal Revenue Code, 26 U.S.C. § 1221, or a
37 transaction accorded hedge accounting treatment under Statement
38 No. 133 of the Financial Accounting Standards Board, Accounting
39 for Derivative Instruments and Hedging Activities, to the extent the
40 transaction is entered into primarily to protect a financial position,
41 including, without limitation, managing the risk of exposure to
42 foreign currency fluctuations that affect assets, liabilities, profits,
43 losses, equity or investments in foreign operations, to interest rate
44 fluctuations or to commodity price fluctuations. For the purposes of
45 this paragraph, receipts from the actual transfer of title of real or



1 tangible personal property to another business entity are not receipts
2 from a hedging transaction or a transaction accorded hedge
3 accounting treatment.

4 (s) Proceeds received by a business entity that are attributable to
5 the repayment, maturity or redemption of the principal of a loan,
6 bond, mutual fund, certificate of deposit or marketable instrument.

7 (t) The principal amount received under a repurchase agreement
8 or on account of any transaction properly characterized as a loan.

9 (u) Proceeds received from the issuance of the business entity's
10 own stock, options, warrants, puts or calls, from the sale of the
11 business entity's treasury stock or as contributions to the capital of
12 the business entity.

13 (v) Proceeds received on account of payments from insurance
14 policies, except those proceeds received for the loss of business
15 revenue.

16 (w) Damages received as a result of litigation in excess of
17 amounts that, if received without litigation, would not have been
18 included in the gross receipts of the business entity pursuant to this
19 section.

20 (x) Bad debts expensed for the purposes of federal income
21 taxation.

22 (y) Returns and refunds to customers.

23 (z) Amounts realized from the sale of an account receivable to
24 the extent the receipts from the underlying transaction were included
25 in the gross receipts of the business entity.

26 (aa) If the business entity owns an interest in a passive entity,
27 the business entity's share of the net income of the passive entity,
28 but only to the extent the net income of the passive entity was
29 generated by the gross revenue of another business entity.

30 2. As used in this section:

31 (a) "Children's Health Insurance Program" means the program
32 established pursuant to 42 U.S.C. §§ 1397aa to 1397jj, inclusive, to
33 provide health insurance for uninsured children from low-income
34 families in this State.

35 (b) "Client company" has the meaning ascribed to it in
36 NRS 616B.670.

37 (c) ~~"Employee leasing company" has the meaning ascribed to it~~
38 ~~in NRS 616B.670.~~

39 ~~(d)~~ "Health care institution" means:

40 (1) A medical facility as defined in NRS 449.0151; and

41 (2) A pharmacy as defined in NRS 639.012.

42 ~~(e)~~ (d) "Health care provider" means a business that receives
43 any payments listed in paragraph (i) of subsection 1 as a provider of
44 health care services, including, without limitation, mental health
45 care services.



1 ~~((H))~~ (e) “Medicaid” means the program established pursuant to
2 Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., to
3 provide assistance for part or all of the cost of medical care rendered
4 on behalf of indigent persons.

5 ~~((G))~~ (f) “Medicare” means the program of health insurance for
6 aged persons and persons with disabilities established pursuant to
7 Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.

8 (g) *“Professional employer organization” has the meaning*
9 *ascribed to it in NRS 616B.670.*

10 **Sec. 11.** Chapter 689C of NRS is hereby amended by adding
11 thereto a new section to read as follows:

12 *“Professional employer organization” has the meaning*
13 *ascribed to it in NRS 616B.670.*

14 **Sec. 12.** NRS 689C.015 is hereby amended to read as follows:

15 689C.015 Except as otherwise provided in this chapter, as used
16 in this chapter, unless the context otherwise requires, the words and
17 terms defined in NRS 689C.017 to 689C.106, inclusive, *and section*
18 *11 of this act* have the meanings ascribed to them in those sections.

19 **Sec. 13.** NRS 689C.065 is hereby amended to read as follows:

20 689C.065 1. “Eligible employee” means a permanent
21 employee who has a regular working week of 30 or more hours.

22 2. The term includes a sole proprietor, a partner of a
23 partnership or an employee of ~~[an employee leasing company,]~~ *a*
24 *professional employer organization*, if the sole proprietor, partner
25 or employee of the ~~[employee leasing company]~~ *professional*
26 *employer organization* is included as an employee under a health
27 benefit plan of a small employer.

28 **Sec. 14.** NRS 689C.111 is hereby amended to read as follows:

29 689C.111 ~~[An employee leasing company]~~ *A professional*
30 *employer organization* which has more than 50 employees,
31 including leased employees at client locations, and which sponsors a
32 fully insured health benefit plan for those employees shall be
33 deemed to be a large employer for the purposes of this chapter.

34 **Sec. 15.** NRS 689C.425 is hereby amended to read as follows:

35 689C.425 A voluntary purchasing group and any contract
36 issued to such a group pursuant to NRS 689C.360 to 689C.600,
37 inclusive, are subject to the provisions of NRS 689C.015 to
38 689C.355, inclusive, *and section 11 of this act* to the extent
39 applicable and not in conflict with the express provisions of NRS
40 687B.408 and 689C.360 to 689C.600, inclusive.

41 **Sec. 16.** A person who, on July 1, 2021:

42 1. Is the holder of a valid certificate of registration issued
43 pursuant to NRS 616B.673, and who is otherwise qualified to hold
44 such a certificate of registration on that date, shall be deemed to



1 hold a license issued pursuant to that section, as amended by section
2 of this act.

3 2. Has submitted an application for a certificate of registration
4 pursuant to NRS 616B.676 shall be deemed to have submitted an
5 application for a license pursuant to that section, as amended by
6 section 3 of this act.

7 **Sec. 17.** 1. Any administrative regulations adopted by an
8 officer or an agency whose name has been changed or whose
9 responsibilities have been transferred pursuant to the provisions of
10 this act to another officer or agency remain in force until amended
11 by the officer or agency to which the responsibility for the adoption
12 of the regulations has been transferred.

13 2. Any contracts or other agreements entered into by an officer
14 or agency whose name has been changed or whose responsibilities
15 have been transferred pursuant to the provisions of this act to
16 another officer or agency are binding upon the officer or agency to
17 which the responsibility for the administration of the provisions of
18 the contract or other agreement has been transferred. Such contracts
19 and other agreements may be enforced by the officer or agency to
20 which the responsibility for the enforcement of the provisions of the
21 contract or other agreement has been transferred.

22 3. Any action taken by an officer or agency whose name has
23 been changed or whose responsibilities have been transferred
24 pursuant to the provisions of this act to another officer or agency
25 remains in effect as if taken by the officer or agency to which the
26 responsibility for the enforcement of such actions has been
27 transferred.

28 **Sec. 18.** The Legislative Counsel shall:

29 1. In preparing the reprint and supplements to the Nevada
30 Revised Statutes:

31 (a) Appropriately change any references to an officer, agency or
32 other entity whose name is changed or whose responsibilities are
33 transferred pursuant to the provisions of this act to refer to the
34 appropriate officer, agency or other entity.

35 (b) Move the provisions of NRS 616B.670 to 616B.691,
36 inclusive, and NRS 616B.693, 616B.694 and 616B.697, from
37 chapter 616B of the Nevada Revised Statutes to chapter 611 of the
38 Nevada Revised Statutes and appropriately change any internal
39 references to reflect the change in location and numbering.

40 2. In preparing supplements to the Nevada Administrative
41 Code:

42 (a) Appropriately change any references to an officer, agency or
43 other entity whose name is changed or whose responsibilities are
44 transferred pursuant to the provisions of this act to refer to the
45 appropriate officer, agency or other entity.



1 (b) Substitute appropriately the term “professional employer
2 organization” for the term “employee leasing company” in the
3 regulations described in section 17 of this act.

4 (c) Substitute appropriately the term “license” for the terms
5 “certificate of registration” and “registration” in the regulations
6 described in section 17 of this act.

7 **Sec. 19.** NRS 689C.066 is hereby repealed.

8 **Sec. 20.** This act becomes effective on July 1, 2021.

TEXT OF REPEALED SECTION

689C.066 “Employee leasing company” defined.
“Employee leasing company” has the meaning ascribed to it in
NRS 616B.670.

