

Senate Bill No. 18—Committee on
Health and Human Services

CHAPTER.....

AN ACT relating to services for persons with intellectual and developmental disabilities; revising the financial information that a provider of jobs and day training services is required to submit to be certified to provide such services; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a partnership, firm, corporation or association that wishes to provide jobs and day training services to persons with intellectual or developmental disabilities to be certified by the Aging and Disability Services Division of the Department of Health and Human Services. (NRS 435.225) Existing law requires such a partnership, firm, corporation or association, before being issued a certificate and annually thereafter as a condition of certification, to: (1) be on file and in good standing with the Secretary of State and organized according to Nevada law; and (2) submit to the Division an annual financial audit and certain additional documentation if the partnership, firm, corporation or association is a nonprofit organization. (NRS 435.227) This bill removes the requirements to submit an annual financial audit and the additional documentation if the partnership, firm, corporation or association is a nonprofit organization. Instead, this bill requires a partnership, firm, corporation or association that provides or wishes to be certified to provide such jobs and day training services to submit any financial documents and statements requested by the Division for the purpose of evaluating the financial solvency of the partnership, firm, corporation or association.

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

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

Section 1. NRS 435.227 is hereby amended to read as follows:

435.227 Before being issued a certificate by the Division pursuant to NRS 435.225 and annually thereafter as a condition of certification, a partnership, firm, corporation or association, including, without limitation, a nonprofit organization, must:

1. Be on file and in good standing with the Secretary of State and organized pursuant to title 7 of NRS; *and*

2. Submit to the Division ~~{an annual audit of its financial statements that has been conducted by an independent certified public accountant; and~~

~~—3. If it is a nonprofit organization, submit to the Division the most recent federal tax return of the nonprofit organization, including, without limitation, Form 990, or its successor form, and~~



~~the Schedule L and Schedule R of such return, or the successor forms of such schedules, which include an itemization of:~~

~~—(a) Any transaction during the federal tax year of the nonprofit organization in which an economic benefit is provided by the nonprofit organization to a director, officer or board member of the nonprofit organization, or any other person who has substantial influence over the nonprofit organization, and in which the value of the economic benefit provided by the nonprofit organization exceeds the value of the consideration received by the nonprofit organization;~~

~~—(b) Any loans to or from the nonprofit organization which are received by or from a director, officer or board member of the nonprofit organization, a person who has substantial influence over the nonprofit organization or a family member of such director, officer, board member or person and which remain outstanding at the end of the federal tax year of the nonprofit organization;~~

~~—(c) Any grants or other assistance from the organization during the federal tax year of the nonprofit organization which benefit a director, officer or board member of the nonprofit organization, a person who has substantial influence over the nonprofit organization or a family member of such director, officer, board member or person;~~

~~—(d) Business transactions during the federal tax year of the nonprofit organization between the nonprofit organization and a director, officer or board member of the nonprofit organization, a person who has substantial influence over the nonprofit organization or a family member of such director, officer, board member or person which exceed, in the aggregate, \$100,000, or a single business transaction that exceeds \$10,000; and~~

~~—(e) All related party transactions including, without limitation, the receipt of interest, royalties, annuities or rent, the sale or purchase of assets or services, the sharing of facilities, equipment or employees, and the transfer of cash or property.]~~ *any financial documents and statements requested by the Division for the purpose of evaluating the financial solvency of the partnership, firm, corporation or association.*

Sec. 2. (Deleted by amendment.)

Sec. 3. This act becomes effective:

1. Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and
2. On October 1, 2019, for all other purposes.

