



**DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF INDUSTRIAL RELATIONS  
WORKERS' COMPENSATION SECTION**

**Additional Information- Frequently Asked Questions regarding changes related to  
Nevada SB 317 (2025)  
6/15/2026**

The graduated fine structure became effective following the passage of SB317 on June 11, 2025. Additional FAQs have been prepared to address questions related to the graduated fine structure.

The CARDS application has been updated to meet the legislative requirements of SB 317, which introduced a revised fine structure for administrative penalties issued by the Workers' Compensation Section. These system enhancements streamline how internal users identify prior violations (using a 36-month lookback), classify determinations as initial or subsequent, and apply the updated monetary assessment rules. The updates affect key areas of CARDS—including determination creation, summaries, editing, and monetary assessment pages, and now automatically populate monetary assessment amounts in line with SB 317 while still allowing users to make adjustments when needed.

**Administrative Fines – Frequently Asked Questions (FAQ)**

**A. Administrative fines under [NRS 616D.120\(2\)](#)**

**1. What can be done when an entity has failed to comply with any provision of NRS or NAC 616A, 616B, 616C, 616D, or NRS 617?**

Pursuant to NRS 616D.120(2), the Administrator of the Division of Industrial Relations may take any of the following actions: issue a Notice of Correction; impose an Administrative Fine; and order a plan of corrective action within 30 days of the date of the order.

**2. When can a Notice of Correction (“NOC”) be issued?**

SB317 of the 2025 Legislative Session clarified that a Notice of Correction can be issued for a minor, clerical or ministerial violation or an overpayment of compensation.

**3. What qualifies as a minor, clerical or ministerial violation?**

A violation is considered a minor, clerical or ministerial violation if it does not result in any financial impact to the injured employee.

**4. Can a Notice of Correction be issued if there are multiple instances of a minor violation across multiple claims?**

In the case of more than one minor, clerical or ministerial violation which is substantially similar across multiple claims, all such violations must be combined into a single finding in a Notice of Correction.

**5. When can an Administrative Fine be issued and what is the new graduated penalty structure?**

SB 317 of the 2025 Legislative Session created a new structure for Administrative Fines for violations of NRS or NAC 616A, 616B, 616C, 616D, or NRS 617.

Pursuant to NRS 616D.120(2), an Administrative Fine may be imposed for:

- A second or subsequent violation of the same section for which a Notice of Correction has been issued under NRS 616D.120(2)(a); or
- Any other violation of the same section of NRS or NAC 616A, 616B, 616C, 616D, or NRS 617 for which a Notice of Correction cannot be issued under NRS 616D.120(2)(a).

The fine imposed must not be more than \$375 for an initial violation, more than \$750 for a second violation of the same section, more than \$1,500 for a third violation of the same section or more than \$3,000 per violation for any fourth or subsequent violation of the same section. If the Administrator determines that there was compliance with a plan of correction under NRS 616D.120(2)(c), or there were no violations in the 3 years immediately preceding the date on which a fine is imposed under NRS 616D.120(2)(b), the fine must be in the amount for an initial violation.

**6. When did the graduated penalty structure become effective?**

The graduated fine structure became effective following the passage of SB317 on June 11, 2025.

**7. Were changes made to CARDS to implement the graduated penalty structure?**

Yes, updates to CARDS went live on June 2, 2025. CARDS reviews the date and NRS/NAC section associated with past violations to determine the correct Administrative Fine amount.

**8. Does the new fine structure apply to violations that occurred before the effective date but are fined after the effective date?**

Yes. The fine structure applies to violations identified prior to SB317 but are fined after the effective date, as long as any prior violations used for escalation meet the requirements (adjudicated, not under appeal, and within three years).

**9. Will previously issued fines be counted when determining whether a violation is first, second, third, or fourth?**

Yes—if the prior fine:

- Was issued under NRS 616D.120(2)
- Involves the same section of law
- Is fully adjudicated
- Is outside the 30-day appeal window
- Is not under appeal

**10. What does “same section” mean?**

It refers to the **NRS or NAC section number**, not subsections.

**11. Is a violation tracked at the section level or subsection level?**

At the **section level** only.

**12. If an insurer violates NRS 616C.100 and later violates a different subsection of 616C.100, is that considered the same section?**

Yes. All subsections fall under the same section number.

**13. If an insurer violates two different requirements within one NRS section, do they count separately?**

Yes. Each instance is a separate violation, even if different requirements are violated within the same section.

**14. If multiple violations of the same section are identified during a single audit, how are they counted?**

Each violation is counted and fined separately unless the violation qualifies for a Notice of Correction.

**15. Can multiple violations discovered as part of the same audit or investigation be treated as 1st, 2nd, and 3rd violations?**

No. Escalation requires prior finalized violations issued previously.

Violations discovered at the same time are treated as initial or appropriate level violations, unless qualifying for a NOC.

**16. How is the three-year lookback period calculated?**

It is measured from the date the previous fine became final (adjudicated and past the 30-day appeal window).

**17. If a regulated entity has no violations for three years, does the violation history reset?**

Yes. If more than three years pass without another fine for that section, the next violation becomes a first offense.

**18. Does the three-year lookback apply separately to each NRS section?**

Yes. Each section has its own independent reset period.

**19. What documentation is required to demonstrate compliance with a Notice of Correction (NOC)?**

Regulated entities must provide all requested documentation by the due date. Confirmation and related correspondence are stored in CARDS.

**20. Are violations tracked at the company level or claim level?**

Violations are tracked at the entity level (insurer, TPA, or employer), though violations occur per claim or audit finding.

**21. If multiple claims contain the same violation, is each claim considered a separate violation?**

Yes. Each claim-level violation is tracked separately unless it qualifies for a NOC.

- 22. Are violations tracked separately for insurers, TPAs, and employers?**  
Yes. Each entity maintains its own violation history.
- 23. If an audit identifies multiple violations of the same section, how is the fine determined?**  
Each violation results in a separate fine at the appropriate tier, unless it qualifies for a NOC.
- 24. Can multiple violations from a single audit result in escalating penalties?**  
No. Escalation requires prior finalized violations issued before the current audit.
- 25. Will auditors review prior violations before determining the fine?**  
Yes. With the SB317 CARDS enhancements, CARDS automatically reviews all prior finalized fines and recommends the proper fine tier. Auditors then verify accuracy before issuing the fine.
- 26. Will notices identify the prior violations used to support escalation?**  
Yes. For any subsequent violation, the accompanying complaint or audit packet will identify the prior Monetary Assessments (MAs) relied upon for determining the fine.
- 27. Will entities be provided a record of prior violations relied upon?**  
Yes. All supporting documentation is included in the MA packet and retained in CARDS.
- 28. How can an entity challenge the determination that a violation is a subsequent violation?**  
By filing a Notice of Appeal within the 30-day appeal period.
- 29. Are some violations still eligible for a Notice of Correction?**  
Yes. Minor, clerical, or ministerial issues (such as outdated forms, minor non-financial errors, etc.) or overpayments may receive a NOC.
- 30. What steps can be taken to avoid escalating penalties?**
- Respond promptly to record requests
  - Maintain accurate claims handling
    - Calculate payments to injured workers correctly
    - Make timely payments to injured workers
      - Correct issues when first identified
      - Conduct internal compliance reviews
      - Ensure timely indexing of claims
- 31. Can an organization verify its current violation history?**  
Yes. Entities may request access to their records or review past MAs documented in CARDS.
- 32. If an organization changes ownership, does the violation history follow?**  
Yes. Violation history follows the regulated entity, not the ownership.