

ASSEMBLY BILL NO. 335—ASSEMBLYMAN HETTRICK

MARCH 13, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Requires commissioner of financial institutions to take certain actions against unlicensed persons who engage in activities relating to collection of debts for which license is required. (BDR 54-782)

FISCAL NOTE: Effect on Local Government: Yes.  
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 collection agencies; requiring the commissioner of financial institutions to conduct investigations, issue orders to cease and desist, impose administrative fines and bring suit against unlicensed persons who engage in activities relating to the collection of debts for which a license is required; increasing the penalty for certain violations; and providing other matters properly relating thereto.

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

1     **Section 1.** Chapter 649 of NRS is hereby amended by adding thereto a  
2 new section to read as follows:

3     1. *The commissioner shall conduct an investigation if he receives a*  
4 *verified complaint from any person that sets forth reason to believe that*  
5 *an unlicensed person is engaging in an activity for which a license is*  
6 *required pursuant to this chapter.*

7     2. *If the commissioner determines that an unlicensed person is*  
8 *engaging in an activity for which a license is required pursuant to this*  
9 *chapter, the commissioner shall issue and serve on the person an order to*  
10 *cease and desist from engaging in the activity until such time as the*  
11 *person obtains a license from the commissioner.*

12     3. *If a person upon whom an order to cease and desist is served does*  
13 *not comply with the order within 30 days after service, the commissioner*  
14 *shall, after notice and opportunity for a hearing, impose upon the person*  
15 *an administrative fine of \$10,000.*

16     4. *If an administrative fine imposed pursuant to subsection 3*  
17 *remains unpaid for more than 90 days, the commissioner shall bring suit*



1 *in the name and on behalf of the State of Nevada against the person to*  
2 *recover the amount of the fine.*

3 *5. A person's liability for an administrative fine is in addition to any*  
4 *other penalty provided in this chapter.*

5 **Sec. 2.** NRS 649.435 is hereby amended to read as follows:  
6 649.435 Any person who violates any provision of this chapter is  
7 guilty of a **gross** misdemeanor. Each day a person operates a collection  
8 agency in violation of the provisions of this chapter is a separate violation  
9 under this section.

10 **Sec. 3.** The amendatory provisions of this act do not apply to offenses  
11 committed before October 1, 2001.

