

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:*  
15    (a) *Impose upon the person an administrative fine of \$10,000; or*  
16    (b) *Enter into a written consent agreement with the person pursuant*  
17    *to which the person agrees to cease and desist from all unlicensed*  
18    *activity in this state relating to the collection of debts, and impose upon*  
19    *the person an administrative fine of not less than \$5,000 and not more*  
20    *than \$10,000.*



\* A B 3 3 5 R 1 \*

1 *The imposition of an administrative fine pursuant to this subsection is a*  
2 *final decision for the purposes of judicial review.*

3 4. *The commissioner shall bring suit in the name and on behalf of*  
4 *the State of Nevada against a person upon whom an administrative fine*  
5 *is imposed pursuant to subsection 3 to recover the amount of the*  
6 *administrative fine;*

7 (a) *If no petition for judicial review is filed pursuant to NRS 233B.130*  
8 *and the fine remains unpaid for more than 90 days after notice of the*  
9 *imposition of the fine; or*

10 (b) *If a petition for judicial review is filed pursuant to NRS 233B.130*  
11 *and the fine remains unpaid for more than 90 days after exhaustion of*  
12 *any right of appeal in the courts of this state resulting in a final*  
13 *determination that upholds the imposition of the fine.*

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

16 **Sec. 2.** NRS 649.435 is hereby amended to read as follows:

17 649.435 Any person who violates any provision of this chapter is  
18 guilty of a **gross** misdemeanor. Each day a person operates a collection  
19 agency in violation of the provisions of this chapter is a separate violation  
20 under this section.

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

