

SENATE BILL NO. 47—COMMITTEE ON JUDICIARY

PREFILED JANUARY 24, 2001

(ON BEHALF OF ENCOURAGING BUSINESSES TO ORGANIZE AND
CONDUCT BUSINESS IN NEVADA (SCR 19))

Referred to Committee on Judiciary

SUMMARY—Provides for judicial approval of certain contracts involving minors.
(BDR 11-260)

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 minors; providing for the judicial approval of certain contracts for the artistic, creative or athletic services or intellectual property of minors; and providing other matters properly relating thereto.

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

Section 1. Chapter 129 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 17, inclusive, of this act.

Sec. 2. *As used in sections 2 to 17, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 8, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *“Contract” means a proposed contract pursuant to which:*

1. A minor agrees to render artistic or creative services, directly or through a third party. As used in this subsection:

(a) “Artistic or creative services” includes, without limitation, services as an actor, actress, extra, background performer, dancer, musician, comedian, singer, stunt person, voiceover artist, songwriter, musical producer, musical arranger, writer, director, producer, production executive, choreographer, composer, conductor, designer or other performer or entertainer.

(b) “Third party” includes, without limitation, a personal services corporation or loan-out company.

2. A minor agrees to render services as a participant, competitor or player in a sport.

3. A person agrees with a minor to purchase, sell, lease, license, transfer, exchange or otherwise dispose of:

(a) Literary, musical, artistic or dramatic properties, either tangible or intangible;

(b) The use of the name, voice, signature, photograph or likeness of the minor; or

(c) Radio broadcasting, television or motion picture rights for the performance of the minor, or for the story of or incidents in the life of the minor, either tangible or intangible.

Sec. 4. "Interested party" includes:

1. A person who is a party to a contract; and

2. The parent, custodian or guardian of a minor who is a party to a contract, if the parent, custodian or guardian is authorized to act on behalf of the minor.

Sec. 5. "Minor" means a person who:

1. Is less than 18 years of age;

2. Has not been declared emancipated pursuant to NRS 129.080 to 129.140, inclusive; and

3. Resides in this state, or will be rendering services in this state pursuant to a contract.

Sec. 6. "Net earnings" means the gross earnings received for services rendered by a minor during the term of a contract, less:

(a) All sums required by law to be paid as taxes to any federal, state or local government with respect to or by reason of such earnings;

(b) Reasonable sums to be expended for the support, care, education, training and professional management of the minor; and

(c) Reasonable fees and expenses to be paid in connection with the contract and its performance.

Sec. 7. "Petition" means a petition for approval of a contract filed pursuant to section 9 of this act.

Sec. 8. "Petitioner" means a person who files a petition for approval of a contract pursuant to section 9 of this act.

Sec. 9. 1. An interested party may petition the district court for approval of a contract by filing a written petition for approval of the contract in the district court of the county in which:

(a) The minor resides;

(b) The minor will be rendering services pursuant to the contract; or

(c) A party to the contract has its principal office for the transaction of business.

2. The petition must be verified by the petitioner and must contain the following items:

(a) The full name, date of birth, place of birth and physical address of the minor.

(b) The full name and physical address of any living parent of the minor.

(c) The full name and physical address of any person who has care and custody of the minor.

(d) Whether the minor has, at any time, had a guardian appointed for him by a court in any jurisdiction or pursuant to a will or deed.

(e) If the minor is not a resident of this state, the location in this state at which the minor will be rendering services pursuant to the contract.

(f) A summary of the nature and provisions of the contract.

(g) A schedule showing the estimated:

(1) Gross earnings of the minor pursuant to the contract;

(2) Deductions from the earnings of the minor required by law;

(3) Reasonable fees and expenses to be paid in connection with the contract and its performance;

(4) Reasonable sums to be expended for the support, care, education, training and professional management of the minor; and

(5) Net earnings of the minor pursuant to the contract.

(h) Whether any person is entitled to receive any portion of the earnings of the minor and a detailed description of the financial circumstances of any such person.

(i) A statement acknowledging that the minor and a parent, custodian or guardian of the minor consent to an order of the court setting aside a portion of the net earnings of the minor for the benefit of the minor.

(j) The relationship of the petitioner to the minor and the interest of the petitioner in the contract or in the performance of the minor pursuant to the contract, if any.

(k) A statement acknowledging that the term of the contract during which the minor is to render services, if applicable, may not extend beyond 5 years from the date of approval of the contract by the court.

(l) A statement describing any other covenants or conditions contained in the contract which extend beyond 5 years from the date of approval of the contract by the court, or a statement indicating that the contract contains no such covenants or conditions.

(m) Any other facts which demonstrate that the terms of the contract are:

(1) Objectively fair and reasonable;

(2) Consistent with the standards of the industry to which the object of the contract pertains;

(3) Consistent and in compliance with the laws of this state, including, without limitation, the laws governing the conduct and employment of minors; and

(4) In the best interests of the minor.

(n) A statement acknowledging that the minor and a parent, custodian or guardian of the minor have had the opportunity to consult with an attorney who is experienced in the laws and practices pertaining to the applicable industry and consent to the approval of the contract by the court.

3. A copy of the contract must be attached to the petition.

4. If a new petition is filed following the denial of a previous petition pursuant to paragraph (c) of subsection 2 of section 11 of this act, the following must be attached to the petition:

(a) A copy of any previous petition that was denied by the court and copies of any exhibits thereto; and

(b) A certified copy of the transcribed record of any hearing conducted concerning any previous petition that was denied by the court.

Sec. 10. 1. Upon receipt of a petition, the court shall schedule a hearing to determine whether the petition should be granted.

2. At any hearing concerning the petition:

(a) The minor who is the subject of the petition shall personally attend.

(b) The court may hear and consider all competent, material and relevant evidence helpful in determining whether the petition should be granted, including, without limitation, oral and written testimony and reports, and such evidence may be received by the court and relied upon to the extent of its probative value.

Sec. 11. 1. In determining whether to grant a petition, the court shall consider whether the terms, conditions and covenants of the contract are:

(a) Objectively fair and reasonable;

(b) Consistent with the standards of the industry to which the object of the contract pertains;

(c) Consistent and in compliance with the laws of this state, including, without limitation, the laws governing the conduct and employment of minors; and

(d) In the best interests of the minor.

2. After considering the petition, the court shall issue an order:

(a) Granting the petition.

(b) Granting the petition upon the condition that the parties modify the terms of the contract in the manner set forth in the order. If the parties modify the terms of the contract in the manner set forth in the order, the petition shall be deemed granted on the date that the contract, as modified, is executed by the parties.

(c) Denying the petition. If the court issues an order denying the petition, an interested party may file a new petition for approval of the contract if the parties modify the terms of the contract.

3. The granting of a petition pursuant to this section:

(a) Extends to the entire contract and all of its terms and provisions, including, without limitation, any optional or conditional provisions contained in the contract for extension, prolongation or termination of the term of the contract.

(b) Must not be construed to constitute an emancipation of the minor.

Sec. 12. 1. If the court issues an order granting a petition, the court shall immediately issue an order appointing a special guardian to receive and hold the specified amount or percentage of the net earnings of the minor to be set aside for the benefit of the minor pursuant to section 13 of this act.

2. The petitioner or a parent, custodian or guardian of the minor is not ineligible to be appointed as a special guardian pursuant to this section solely because of his interest, so long as that interest is fully disclosed to the court. A disclosure pursuant to this subsection must include, without limitation, whether the person has an interest:

(a) In any part of the earnings of the minor pursuant to the contract;

1 (b) As a party to the contract; or
2 (c) As an interested party to the contract or to the performance of the
3 minor pursuant to the contract.

4 3. The appointment of a special guardian pursuant to this section
5 expires on the earliest of the following dates:

- 6 (a) The date on which the contract is terminated.
7 (b) The date on which the minor is emancipated.
8 (c) The date on which the minor reaches the age of majority.

9 **Sec. 13.** 1. At the time of issuing an order appointing a special
10 guardian pursuant to section 12 of this act, the court shall fix and
11 include in the order the amount or percentage of the net earnings of the
12 minor to be set aside for the benefit of the minor that the court
13 determines is in the best interests of the minor. The amount or
14 percentage of the net earnings to be set aside must not be less than 15
15 percent or more than 50 percent of the net earnings.

16 2. Any time following the issuance of an order fixing or modifying
17 the amount or percentage of the net earnings to be set aside pursuant to
18 this section:

19 (a) Upon the request of the minor, the special guardian shall move the
20 court for an order modifying the amount or percentage of the net
21 earnings to be set aside.

22 (b) Upon his own initiative, the special guardian may move the court
23 for an order modifying the amount or percentage of the net earnings to
24 be set aside.

25 3. The court may grant a motion and modify the amount or
26 percentage of the net earnings to be set aside if the court finds that,
27 because of changed circumstances, modification of the amount or
28 percentage of the net earnings to be set aside is in the best interests of the
29 minor.

30 4. Upon termination of a contract approved by the court pursuant to
31 sections 2 to 17, inclusive, of this act, the special guardian shall
32 immediately transfer all remaining money that has been received and
33 held for the benefit of the minor, together with an accounting of all
34 money that has been collected, disbursed and expended, to:

35 (a) The guardian of the property of the minor, if the minor has not
36 reached the age of majority and has not been emancipated.

37 (b) The minor, if the minor has reached the age of majority or has
38 been emancipated.

39 **Sec. 14.** 1. During the term of the contract, or during the term of
40 any other covenant or condition of the contract, the court that approved a
41 contract pursuant to sections 2 to 17, inclusive, of this act may, upon its
42 own motion or the motion of an interested party and upon finding that
43 the mental, physical or emotional health, safety, morals or well-being of
44 the minor is being impaired by the performance of the contract:

45 (a) Revoke its granting of the petition; or

46 (b) Declare its granting of the petition revoked unless a modification
47 of the terms of the contract, which the court finds to be appropriate
48 under the circumstances, is agreed upon by the parties and approved by
49 an order of the court.

2. An interested party or a guardian ad litem appointed for the purpose by the court may apply for an order of revocation pursuant to this section.

3. The revocation of the granting of a petition pursuant to this section does not affect any right of action existing on the date of the revocation, except that the court may determine that a refusal to perform on the ground of impairment of the mental, physical or emotional health, safety, morals or well-being of the minor was justified.

4. The provisions of this section do not create an exemption to the requirements of NRS 41.200.

Sec. 15. Unless the granting of a petition has been revoked pursuant to section 14 of this act, if a contract that is otherwise valid is approved by the district court by the granting of a petition, a minor may not, during his minority, upon reaching the age of majority or upon his emancipation:

1. Disaffirm the contract on the ground that the contract was entered into during his minority;

2. Rescind, avoid or repudiate the contract because of his minority;

3. Rescind, avoid or repudiate any exercise of a right or privilege pursuant to the contract because of his minority; or

4. Assert that a parent, custodian or guardian lacked authority to make the contract on his behalf.

Sec. 16. The determination of whether to grant or deny a petition, to grant or deny a motion to modify the amount or percentage of the net earnings of a minor to be set aside, or to grant or deny a motion for revocation of a petition is a matter solely within the discretion of the court and is not subject to appeal.

Sec. 17. The provisions of sections 2 to 17, inclusive, of this act do not:

1. Exempt any person from compliance with any other law concerning licenses, consents or authorizations required for any conduct, employment, use or exhibition of a minor in this state; or

2. Limit, in any manner, the discretion of a licensing authority or other persons charged with the administration of licensing requirements.

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