

(REPRINTED WITH ADOPTED AMENDMENTS)
FIRST REPRINT

S.B. 49

SENATE BILL NO. 49—COMMITTEE ON JUDICIARY

PREFILED JANUARY 24, 2001

(ON BEHALF OF ENCOURAGING BUSINESSES TO ORGANIZE AND
CONDUCT BUSINESS IN NEVADA (S.C.R. 19))

Referred to Committee on Judiciary

SUMMARY—Adopts Uniform Electronic Transactions Act. (BDR 59-258)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

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

AN ACT relating to electronic transactions; adopting the Uniform Electronic Transactions Act; making various related changes pertaining to the use of electronic records and signatures; 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.** Title 59 of NRS is hereby amended by adding thereto a
2 new chapter to consist of the provisions set forth as sections 2 to 35,
3 inclusive, of this act.
4 **Sec. 2.** *This chapter may be cited as the Uniform Electronic*
5 *Transactions Act.*
6 **Sec. 3.** *As used in this chapter, unless the context otherwise*
7 *requires, the words and terms defined in sections 4 to 19, inclusive, of*
8 *this act have the meanings ascribed to them in those sections.*
9 **Sec. 4.** *“Agreement” means the bargain of the parties in fact, as*
10 *found in their language or inferred from other circumstances and from*
11 *rules, regulations and procedures given the effect of agreements under*
12 *laws otherwise applicable to a particular transaction.*
13 **Sec. 5.** *“Automated transaction” means a transaction conducted or*
14 *performed, in whole or in part, by electronic means or electronic records,*
15 *in which the acts or records of one or both parties are not reviewed by a*
16 *natural person in the ordinary course in forming a contract, performing*
17 *under an existing contract or fulfilling an obligation required by the*
18 *transaction.*



* S B 4 9 R 1 *

- 1 Sec. 6. *“Computer program” means a set of statements or*
2 *instructions to be used directly or indirectly in an information processing*
3 *system in order to bring about a certain result.*
- 4 Sec. 7. *“Contract” means the total legal obligation resulting from*
5 *the parties’ agreement as affected by this chapter and other applicable*
6 *law.*
- 7 Sec. 8. *“Electronic” means relating to technology having electrical,*
8 *digital, magnetic, wireless, optical, electromagnetic or similar*
9 *capabilities.*
- 10 Sec. 9. *“Electronic agent” means a computer program or an*
11 *electronic or other automated means used independently to initiate an*
12 *action or respond to electronic records or performances in whole or in*
13 *part, without review or action by a natural person.*
- 14 Sec. 10. *“Electronic record” means a record created, generated,*
15 *sent, communicated, received or stored by electronic means.*
- 16 Sec. 11. *“Electronic signature” means an electronic sound, symbol*
17 *or process attached to or logically associated with a record and executed*
18 *or adopted by a person with the intent to sign the record.*
- 19 Sec. 12. *“Governmental agency” means an executive, legislative or*
20 *judicial agency, department, board, commission, authority, institution or*
21 *instrumentality of the Federal Government or of a state or of a county,*
22 *municipality or other political subdivision of a state.*
- 23 Sec. 13. *“Information” means data, text, images, sounds, codes,*
24 *computer programs, software, databases or the like.*
- 25 Sec. 14. *“Information processing system” means an electronic*
26 *system for creating, generating, sending, receiving, storing, displaying or*
27 *processing information.*
- 28 Sec. 15. *“Person” includes a governmental agency and a public*
29 *corporation.*
- 30 Sec. 16. *“Record” means information that is inscribed on a tangible*
31 *medium or that is stored in an electronic or other medium and is*
32 *retrievable in perceivable form.*
- 33 Sec. 17. *“Security procedure” means a procedure employed for the*
34 *purpose of verifying that an electronic signature, record or performance*
35 *is that of a specific person or for detecting changes or errors in the*
36 *information in an electronic record. The term includes a procedure that*
37 *requires the use of algorithms or other codes, identifying words or*
38 *numbers, encryption or callback, or other acknowledgment procedures.*
- 39 Sec. 18. *“State” means a state of the United States, the District of*
40 *Columbia, Puerto Rico, the United States Virgin Islands or any territory*
41 *or insular possession subject to the jurisdiction of the United States. The*
42 *term includes an Indian tribe or band, or Alaskan native village, which is*
43 *recognized by federal law or formally acknowledged by a state.*
- 44 Sec. 19. *“Transaction” means an action or set of actions occurring*
45 *between two or more persons relating to the conduct of business,*
46 *commercial or governmental affairs.*
- 47 Sec. 20. *1. Except as otherwise provided in subsection 2, the*
48 *provisions of this chapter apply to electronic records and electronic*
49 *signatures relating to a transaction.*



1 2. The provisions of this chapter do not apply to a transaction to the
2 extent it is governed by:

3 (a) A law governing the creation and execution of wills, codicils or
4 testamentary trusts;

5 (b) The Uniform Commercial Code other than NRS 104.1107,
6 104.1206 and 104.2101 to 104.2725, inclusive, and 104A.2101 to
7 104A.2532, inclusive; or

8 (c) Chapters 162 to 167, inclusive, of NRS.

9 3. The provisions of this chapter apply to an electronic record or
10 electronic signature otherwise excluded from the application of this
11 chapter under subsection 2 to the extent it is governed by a law other
12 than those specified in subsection 2.

13 4. A transaction subject to the provisions of this chapter is also
14 subject to other applicable substantive law.

15 **Sec. 21.** The provisions of this chapter apply to any electronic record
16 or electronic signature created, generated, sent, communicated, received
17 or stored on or after October 1, 2001.

18 **Sec. 22.** 1. The provisions of this chapter do not require a record
19 or signature to be created, generated, sent, communicated, received,
20 stored or otherwise processed or used by electronic means or in
21 electronic form.

22 2. The provisions of this chapter apply only to transactions between
23 parties each of whom has agreed to conduct transactions by electronic
24 means. Whether the parties agree to conduct a transaction by electronic
25 means is determined from the context and surrounding circumstances,
26 including the parties' conduct.

27 3. A party that agrees to conduct a transaction by electronic means
28 may refuse to conduct other transactions by electronic means. The right
29 granted by this subsection may not be waived by agreement.

30 4. Except as otherwise provided in this chapter, the effect of any of
31 the provisions of this chapter may be varied by agreement. The presence
32 in certain provisions of this chapter of the words "unless otherwise
33 agreed" or words of similar import does not imply that the effect of other
34 provisions may not be varied by agreement.

35 5. Whether an electronic record or electronic signature has legal
36 consequences is determined by the provisions of this chapter and other
37 applicable law.

38 **Sec. 23.** 1. A record or signature may not be denied legal effect or
39 enforceability solely because it is in electronic form.

40 2. A contract may not be denied legal effect or enforceability solely
41 because an electronic record was used in its formation.

42 3. If a law requires a record to be in writing, an electronic record
43 satisfies the law.

44 4. If a law requires a signature, an electronic signature satisfies the
45 law.

46 **Sec. 24.** 1. If parties have agreed to conduct a transaction by
47 electronic means and a law requires a person to provide, send or deliver
48 information in writing to another person, the requirement is satisfied if
49 the information is provided, sent or delivered, as the case may be, in an



1 *electronic record capable of retention by the recipient at the time of*
2 *receipt. An electronic record is not capable of retention by the recipient if*
3 *the sender or its information processing system inhibits the ability of the*
4 *recipient to print or store the electronic record.*

5 2. *If a law other than this chapter requires a record to be posted or*
6 *displayed in a certain manner, to be sent, communicated or transmitted*
7 *by a specified method or to contain information that is formatted in a*
8 *certain manner, the following rules apply:*

9 (a) *The record must be posted or displayed in the manner specified in*
10 *the other law.*

11 (b) *Except as otherwise provided in paragraph (b) of subsection 4, the*
12 *record must be sent, communicated or transmitted by the method*
13 *specified in the other law.*

14 (c) *The record must contain the information formatted in the manner*
15 *specified in the other law.*

16 3. *If a sender inhibits the ability of a recipient to store or print an*
17 *electronic record, the electronic record is not enforceable against the*
18 *recipient.*

19 4. *The requirements of this section may not be varied by agreement,*
20 *but:*

21 (a) *To the extent a law other than this chapter requires information to*
22 *be provided, sent or delivered in writing but permits that requirement to*
23 *be varied by agreement, the requirement under subsection 1 that the*
24 *information be in the form of an electronic record capable of retention*
25 *may also be varied by agreement; and*

26 (b) *A requirement under a law other than this chapter to send,*
27 *communicate or transmit a record by first-class mail, postage prepaid,*
28 *regular United States mail, may be varied by agreement to the extent*
29 *permitted by the other law.*

30 **Sec. 25.** 1. *An electronic record or electronic signature is*
31 *attributable to a person if it was the act of the person. The act of the*
32 *person may be shown in any manner, including a showing of the efficacy*
33 *of any security procedure applied to determine the person to whom the*
34 *electronic record or electronic signature was attributable.*

35 2. *The effect of an electronic record or electronic signature*
36 *attributed to a person under subsection 1 is determined from the context*
37 *and surrounding circumstances at the time of its creation, execution or*
38 *adoption, including the parties' agreement, if any, and otherwise as*
39 *provided by law.*

40 **Sec. 26.** *If a change or error in an electronic record occurs in a*
41 *transmission between parties to a transaction, the following rules apply:*

42 1. *If the parties have agreed to use a security procedure to detect*
43 *changes or errors and one party has conformed to the procedure, but the*
44 *other party has not, and the nonconforming party would have detected*
45 *the change or error had that party also conformed, the conforming party*
46 *may avoid the effect of the changed or erroneous electronic record.*

47 2. *In an automated transaction involving a natural person, the*
48 *natural person may avoid the effect of an electronic record that resulted*
49 *from an error made by him in dealing with the electronic agent of*



1 another person if the electronic agent did not provide an opportunity for
2 the prevention or correction of the error and, at the time the natural
3 person learns of the error, the natural person:

4 (a) Promptly notifies the other person of the error and that the natural
5 person did not intend to be bound by the electronic record received by the
6 other person;

7 (b) Takes reasonable steps, including steps that conform to the other
8 person's reasonable instructions, to return to the other person or, if
9 instructed by the other person, to destroy the consideration received, if
10 any, as a result of the erroneous electronic record; and

11 (c) Has not used or received any benefit or value from the
12 consideration, if any, received from the other person.

13 3. If neither subsection 1 nor subsection 2 applies, the change or
14 error has the effect provided by other law, including the law of mistake
15 and the parties' contract, if any.

16 4. Subsections 2 and 3 may not be varied by agreement.

17 **Sec. 27.** If a law requires a signature or record to be notarized,
18 acknowledged, verified or made under oath, the requirement is satisfied
19 if the electronic signature of the person authorized to perform those acts,
20 together with all other information required to be included by other
21 applicable law, is attached to or logically associated with the signature or
22 record.

23 **Sec. 28. 1.** If a law requires that a record be retained, the
24 requirement is satisfied by retaining an electronic record of the
25 information in the record which:

26 (a) Accurately reflects the information set forth in the record after it
27 was first generated in its final form as an electronic record or otherwise;
28 and

29 (b) Remains accessible for later reference.

30 2. A requirement to retain a record in accordance with subsection 1
31 does not apply to any information the sole purpose of which is to enable
32 the record to be sent, communicated or received.

33 3. A person may satisfy subsection 1 by using the services of another
34 person if the requirements of that subsection are satisfied.

35 4. If a law requires a record to be presented or retained in its original
36 form, or provides consequences if the record is not presented or retained
37 in its original form, that law is satisfied by an electronic record retained
38 in accordance with subsection 1.

39 5. If a law requires retention of a check, that requirement is satisfied
40 by retention of an electronic record of the information on the front and
41 back of the check in accordance with subsection 1.

42 6. A record retained as an electronic record in accordance with
43 subsection 1 satisfies a law requiring a person to retain a record for
44 evidentiary, audit or like purposes, unless a law enacted after October 1,
45 2001, specifically prohibits the use of an electronic record for the
46 specified purpose.

47 7. This section does not preclude a governmental agency of this state
48 from specifying additional requirements for the retention of a record
49 subject to the agency's jurisdiction.



* S B 4 9 R 1 *

1 **Sec. 29.** *In a proceeding, evidence of a record or signature must not*
2 *be excluded solely because it is in electronic form.*

3 **Sec. 30.** *In an automated transaction, the following rules apply:*

4 1. *A contract may be formed by the interaction of electronic agents*
5 *of the parties, even if no natural person was aware of or reviewed the*
6 *electronic agents' actions or the resulting terms and agreements.*

7 2. *A contract may be formed by the interaction of an electronic agent*
8 *and a natural person, acting on his own behalf or for another person, as*
9 *by an interaction in which the natural person performs actions that he is*
10 *free to refuse to perform and which he knows or has reason to know will*
11 *cause the electronic agent to complete the transaction or performance.*

12 3. *The terms of the contract are determined by the substantive law*
13 *applicable to it.*

14 **Sec. 31.** 1. *Unless otherwise agreed between the sender and the*
15 *recipient, an electronic record is sent when it:*

16 (a) *Is addressed properly or otherwise directed properly to an*
17 *information processing system that the recipient has designated or uses*
18 *for the purpose of receiving electronic records or information of the type*
19 *sent and from which the recipient is able to retrieve the electronic record;*

20 (b) *Is in a form capable of being processed by that system; and*

21 (c) *Enters an information processing system outside the control of the*
22 *sender or of a person that sent the electronic record on behalf of the*
23 *sender or enters a region of the information processing system*
24 *designated or used by the recipient which is under the control of the*
25 *recipient.*

26 2. *Unless otherwise agreed between a sender and the recipient, an*
27 *electronic record is received when:*

28 (a) *It enters an information processing system that the recipient has*
29 *designated or uses for the purpose of receiving electronic records or*
30 *information of the type sent and from which the recipient is able to*
31 *retrieve the electronic record; and*

32 (b) *It is in a form capable of being processed by that system.*

33 3. *Subsection 2 applies even if the place the information processing*
34 *system is located is different from the place the electronic record is*
35 *deemed to be received under subsection 4.*

36 4. *Unless otherwise expressly provided in the electronic record or*
37 *agreed between the sender and the recipient, an electronic record is*
38 *deemed to be sent from the sender's place of business and to be received*
39 *at the recipient's place of business. For purposes of this subsection, the*
40 *following rules apply:*

41 (a) *If the sender or recipient has more than one place of business, his*
42 *place of business is the place having the closest relationship to the*
43 *underlying transaction.*

44 (b) *If the sender or the recipient does not have a place of business, the*
45 *place of business is the sender's or recipient's residence, as the case may*
46 *be.*

47 5. *An electronic record is received under subsection 2 even if no*
48 *natural person is aware of its receipt.*



* S B 4 9 R 1 *

1 6. Receipt of an electronic acknowledgment from an information
2 processing system described in subsection 2 establishes that a record was
3 received but, by itself, does not establish that the content sent
4 corresponds to the content received.

5 7. If a person is aware that an electronic record purportedly sent
6 under subsection 1, or purportedly received under subsection 2, was not
7 actually sent or received, the legal effect of the sending or receipt is
8 determined by other applicable law. Except to the extent permitted by the
9 other law, the requirements of this subsection may not be varied by
10 agreement.

11 Sec. 32. 1. In this section, "transferable record" means an
12 electronic record that:

13 (a) Would be a note under NRS 104.3101 to 104.3605, inclusive, or a
14 document under NRS 104.7101 to 104.7603, inclusive, if the electronic
15 record were in writing; and

16 (b) The issuer of the electronic record expressly has agreed is a
17 transferable record.

18 2. A person has control of a transferable record if a system employed
19 for evidencing the transfer of interests in the transferable record reliably
20 establishes him as the person to whom the transferable record was issued
21 or transferred.

22 3. A system satisfies subsection 2, and a person is deemed to have
23 control of a transferable record, if the transferable record is created,
24 stored and assigned in such a manner that:

25 (a) A single authoritative copy of the transferable record exists which
26 is unique, identifiable, and, except as otherwise provided in paragraphs
27 (d), (e) and (f), unalterable;

28 (b) The authoritative copy identifies the person asserting control as:

29 (1) The person to whom the transferable record was issued; or

30 (2) If the authoritative copy indicates that the transferable record
31 has been transferred, the person to whom the transferable record was
32 most recently transferred;

33 (c) The authoritative copy is communicated to and maintained by the
34 person asserting control or its designated custodian;

35 (d) Copies or revisions that add or change an identified assignee of
36 the authoritative copy can be made only with the consent of the person
37 asserting control;

38 (e) Each copy of the authoritative copy and any copy of a copy is
39 readily identifiable as a copy that is not the authoritative copy; and

40 (f) Any revision of the authoritative copy is readily identifiable as
41 authorized or unauthorized.

42 4. Except as otherwise agreed, a person having control of a
43 transferable record is the holder, as defined in subsection 20 of NRS
44 104.1201, of the transferable record and has the same rights and
45 defenses as a holder of an equivalent record or writing under the
46 Uniform Commercial Code, including, if the applicable statutory
47 requirements under NRS 104.7501, 104.9308 or subsection 1 of NRS
48 104.3302 are satisfied, the rights and defenses of a holder to whom a
49 negotiable document of title has been duly negotiated, a purchaser, or a



* S B 4 9 R 1 *

holder in due course, respectively. Delivery, possession and endorsement are not required to obtain or exercise any of the rights under this subsection.

5. Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the Uniform Commercial Code.

6. If requested by a person against whom enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that he is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.

Sec. 33. Each governmental agency of this state shall determine whether, and the extent to which, it will create and retain electronic records and convert written records to electronic records.

Sec. 34. 1. Except as otherwise provided in subsection 6 of section 28 of this act, each governmental agency of this state shall determine whether, and the extent to which, it will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures.

2. To the extent that a governmental agency uses electronic records and electronic signatures under subsection 1, the governmental agency, giving due consideration to security, may specify:

(a) The manner and format in which the electronic records must be created, generated, sent, communicated, received and stored and the systems established for those purposes;

(b) If electronic records must be signed by electronic means, the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate the process;

(c) Processes and procedures as appropriate to ensure adequate preservation, disposition, integrity, security, confidentiality and auditability of electronic records; and

(d) Any other required attributes for electronic records which are specified for corresponding nonelectronic records or reasonably necessary under the circumstances.

3. Except as otherwise provided in subsection 6 of section 28 of this act, the provisions of this chapter do not require a governmental agency of this state to use or permit the use of electronic records or electronic signatures.

Sec. 35. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

Sec. 36. Chapter 720 of NRS is hereby amended by adding thereto a new section to read as follows:

"Record" has the meaning ascribed to it in section 16 of this act.



* S B 4 9 R 1 *

1 **Sec. 37.** NRS 720.010 is hereby amended to read as follows:
2 720.010 As used in this chapter, unless the context otherwise requires,
3 the words and terms defined in NRS 720.020 to 720.130, inclusive, *and*
4 *section 36 of this act*, have the meanings ascribed to them in those
5 sections.

6 **Sec. 38.** NRS 720.060 is hereby amended to read as follows:
7 720.060 “Digital signature” means ~~“a transformation of”~~ *an electronic*
8 *signature that transforms* a message *by* using an asymmetric
9 cryptosystem. *As used in this section, “electronic signature” has the*
10 *meaning ascribed to it in section 11 of this act.*

11 **Sec. 39.** NRS 720.140 is hereby amended to read as follows:
12 720.140 **1.** The provisions of this chapter apply to any transaction for
13 which a digital signature ~~“may be”~~ *is* used to ~~“satisfy a requirement that a~~
14 ~~document or record be signed or in writing as set forth in NRS 720.160,~~
15 ~~including, without limitation, transactions carried out by private businesses~~
16 ~~and transactions carried out by governmental entities.”~~ *sign an electronic*
17 *record.*

18 **2.** *As used in this section, “electronic record” has the meaning*
19 *ascribed to it in section 10 of this act.*

20 **Sec. 40.** NRS 720.160 is hereby amended to read as follows:
21 720.160 **1.** Except as otherwise provided in ~~“subsection 2,”~~ *this*
22 *section*, if each person ~~“or governmental entity”~~ who will be involved in the
23 submission and acceptance of a record ~~“or other document”~~ agrees to the
24 use of a digital signature, ~~“where a statute or rule of law requires that the~~
25 ~~record or other document be signed or in writing.”~~ the use of a message
26 which:

27 (a) Represents the record ~~“or other document.”~~ ; and
28 (b) Is transformed by a digital signature,
29 ~~“shall be deemed to satisfy the statute or rule of law with respect to the~~
30 ~~requirement that the record or other document be signed or in writing.”~~
31 *constitutes a sufficient signing of the record.*

32 **2.** The provisions of this section do not apply with respect to:

33 (a) ~~“A sworn statement;~~
34 ~~—(b) An acknowledgment;~~
35 ~~—(c) A record “or other document” that is required to be signed in the~~
36 ~~presence of a third party; or~~
37 ~~“(d) (b) A record “or other document” with respect to which the~~
38 ~~requirement that the record “or other document” must be signed “or in~~
39 ~~writing” is accompanied by an additional qualifying requirement.~~

40 **Sec. 41.** NRS 78.010 is hereby amended to read as follows:

41 78.010 **1.** As used in this chapter:

42 (a) “Approval” and “vote” as describing action by the directors or
43 stockholders mean the vote of directors in person or by written consent or
44 of stockholders in person, by proxy or by written consent.

45 (b) “Articles,” “articles of incorporation” and “certificate of
46 incorporation” are synonymous terms and unless the context otherwise
47 requires, include all certificates filed pursuant to NRS 78.030, 78.1955,
48 78.209, 78.380, 78.385 and 78.390 and any articles of merger or exchange
49 filed pursuant to NRS 92A.200 to 92A.240, inclusive. Unless the context



* S B 4 9 R 1 *

1 otherwise requires, these terms include restated articles and certificates of
2 incorporation.
3 (c) “Directors” and “trustees” are synonymous terms.
4 (d) “Receiver” includes receivers and trustees appointed by a court as
5 provided in this chapter or in chapter 32 of NRS.
6 (e) “Registered office” means the office maintained at the street address
7 of the resident agent.
8 (f) “Resident agent” means the agent appointed by the corporation upon
9 whom process or a notice or demand authorized by law to be served upon
10 the corporation may be served.
11 (g) “Sign” means to affix a signature to a document.
12 (h) “Signature” means a name, word or mark executed or adopted by a
13 person with the present intention to authenticate a document. The term
14 includes, without limitation, ~~a digital~~ *an electronic* signature as defined
15 in ~~NRS 720.060~~ *section 11 of this act*.
16 (i) “Stockholder of record” means a person whose name appears on the
17 stock ledger of the corporation.
18 (j) “Street address” of a resident agent means the actual physical
19 location in this state at which a resident agent is available for service of
20 process.
21 2. General terms and powers given in this chapter are not restricted by
22 the use of special terms, or by any grant of special powers contained in this
23 chapter.
24 **Sec. 42.** NRS 78A.090 is hereby amended to read as follows:
25 78A.090 1. A close corporation may operate without a board of
26 directors if the certificate of incorporation contains a statement to that
27 effect.
28 2. An amendment to the certificate of incorporation eliminating a
29 board of directors must be approved:
30 (a) By all the shareholders of the corporation, whether or not otherwise
31 entitled to vote on amendments; or
32 (b) If no shares have been issued, by all subscribers for shares, if any, or
33 if none, by the incorporators.
34 3. While a corporation is operating without a board of directors as
35 authorized by subsection 1:
36 (a) All corporate powers must be exercised by or under the authority of,
37 and the business and affairs of the corporation managed under the direction
38 of, the shareholders.
39 (b) Unless the articles of incorporation provide otherwise:
40 (1) Action requiring the approval of the board of directors or of both
41 the board of directors and the shareholders is authorized if approved by the
42 shareholders; and
43 (2) Action requiring a majority or greater percentage vote of the
44 board of directors is authorized if approved by the majority or greater
45 percentage of votes of the shareholders entitled to vote on the action.
46 (c) A requirement by a state or the United States that a document
47 delivered for filing contain a statement that specified action has been taken
48 by the board of directors is satisfied by a statement that the corporation is a



1 close corporation without a board of directors and that the action was
2 approved by the shareholders.

3 (d) The shareholders by resolution may appoint one or more
4 shareholders to sign documents as designated directors.

5 4. An amendment to the articles of incorporation that deletes the
6 provision which eliminates a board of directors must be approved by the
7 holders of at least two-thirds of the votes of each class or series of shares of
8 the corporation, voting as separate voting groups, whether or not otherwise
9 entitled to vote on amendments. The amendment must specify the number,
10 names and mailing addresses of the directors of the corporation or describe
11 who will perform the duties of the board of directors.

12 5. As used in this section, "sign" means to execute or adopt a name,
13 word or mark, including, without limitation, ~~fa-digital~~ *an electronic*
14 signature as defined in ~~NRS 720.060,~~ *section 11 of this act*, with the
15 present intention to authenticate a document.

16 **Sec. 43.** NRS 80.003 is hereby amended to read as follows:

17 80.003 "Signed" means to have executed or adopted a name, word or
18 mark, including, without limitation, ~~fa-digital~~ *an electronic* signature as
19 defined in ~~NRS 720.060,~~ *section 11 of this act*, with the present intention
20 to authenticate a document.

21 **Sec. 44.** NRS 81.0015 is hereby amended to read as follows:

22 81.0015 "Signed" means to have executed or adopted a name, word or
23 mark, including, without limitation, ~~fa-digital~~ *an electronic* signature as
24 defined in ~~NRS 720.060,~~ *section 11 of this act*, with the present intention
25 to authenticate a document.

26 **Sec. 45.** NRS 82.043 is hereby amended to read as follows:

27 82.043 "Signature" means a name, word or mark executed or adopted
28 by a person with the present intention to authenticate a document. The term
29 includes, without limitation, ~~fa-digital~~ *an electronic* signature as defined
30 in ~~NRS 720.060,~~ *section 11 of this act*.

31 **Sec. 46.** NRS 84.004 is hereby amended to read as follows:

32 84.004 "Signed" means to have executed or adopted a name, word or
33 mark, including, without limitation, ~~fa-digital~~ *an electronic* signature as
34 defined in ~~NRS 720.060,~~ *section 11 of this act*, with the present intention
35 to authenticate a document.

36 **Sec. 47.** NRS 86.127 is hereby amended to read as follows:

37 86.127 "Signature" means a name, word or mark executed or adopted
38 by a person with the present intention to authenticate a document. The term
39 includes, without limitation, ~~fa-digital~~ *an electronic* signature as defined
40 in ~~NRS 720.060,~~ *section 11 of this act*.

41 **Sec. 48.** NRS 87.020 is hereby amended to read as follows:

42 87.020 As used in this chapter, unless the context otherwise requires:

43 1. "Bankrupt" includes bankrupt under the Federal Bankruptcy Act or
44 insolvent under any state insolvent act.

45 2. "Business" includes every trade, occupation or profession.

46 3. "Conveyance" includes every assignment, lease, mortgage or
47 encumbrance.

48 4. "Court" includes every court and judge having jurisdiction in the
49 case.



* S B 4 9 R 1 *

- 1 5. "Professional service" means any type of personal service which
2 may legally be performed only pursuant to a license or certificate of
3 registration.
- 4 6. "Real property" includes land and any interest or estate in land.
- 5 7. "Registered limited-liability partnership" means a partnership
6 formed pursuant to an agreement governed by this chapter for the purpose
7 of rendering a professional service and registered pursuant to and
8 complying with NRS 87.440 to 87.560, inclusive.
- 9 8. "Signature" means a name, word or mark executed or adopted by a
10 person with the present intention to authenticate a document. The term
11 includes, without limitation, ~~to digital~~ *an electronic* signature as defined
12 in ~~NRS 720.060~~ *section 11 of this act*.
- 13 9. "Signed" means to have affixed a signature to a document.
- 14 10. "Street address" of a resident agent means the actual physical
15 location in this state at which a resident agent is available for service of
16 process.
- 17 **Sec. 49.** NRS 88.315 is hereby amended to read as follows:
- 18 88.315 As used in this chapter, unless the context otherwise requires:
- 19 1. "Certificate of limited partnership" means the certificate referred to
20 in NRS 88.350, and the certificate as amended or restated.
- 21 2. "Contribution" means any cash, property, services rendered, or a
22 promissory note or other binding obligation to contribute cash or property
23 or to perform services, which a partner contributes to a limited partnership
24 in his capacity as a partner.
- 25 3. "Event of withdrawal of a general partner" means an event that
26 causes a person to cease to be a general partner as provided in NRS 88.450.
- 27 4. "Foreign limited partnership" means a partnership formed under the
28 laws of any state other than this state and having as partners one or more
29 general partners and one or more limited partners.
- 30 5. "General partner" means a person who has been admitted to a
31 limited partnership as a general partner in accordance with the partnership
32 agreement and named in the certificate of limited partnership as a general
33 partner.
- 34 6. "Limited partner" means a person who has been admitted to a
35 limited partnership as a limited partner in accordance with the partnership
36 agreement.
- 37 7. "Limited partnership" and "domestic limited partnership" mean a
38 partnership formed by two or more persons under the laws of this state and
39 having one or more general partners and one or more limited partners.
- 40 8. "Partner" means a limited or general partner.
- 41 9. "Partnership agreement" means any valid agreement, written or oral,
42 of the partners as to the affairs of a limited partnership and the conduct of
43 its business.
- 44 10. "Partnership interest" means a partner's share of the profits and
45 losses of a limited partnership and the right to receive distributions of
46 partnership assets.
- 47 11. "Registered office" means the office maintained at the street
48 address of the resident agent.



* S B 4 9 R 1 *

1 12. "Resident agent" means the agent appointed by the limited
2 partnership upon whom process or a notice or demand authorized by law to
3 be served upon the limited partnership may be served.

4 13. "Sign" means to affix a signature to a document.

5 14. "Signature" means a name, word or mark executed or adopted by a
6 person with the present intention to authenticate a document. The term
7 includes, without limitation, ~~fa-digital~~ *an electronic* signature as defined
8 in ~~NRS 720.060.~~ *section 11 of this act.*

9 15. "State" means a state, territory or possession of the United States,
10 the District of Columbia or the Commonwealth of Puerto Rico.

11 16. "Street address" of a resident agent means the actual physical
12 location in this state at which a resident is available for service of process.

13 **Sec. 50.** NRS 88A.090 is hereby amended to read as follows:

14 88A.090 "Signature" means a name, word or mark executed or
15 adopted by a person with the present intention to authenticate a document.
16 The term includes, without limitation, ~~fa-digital~~ *an electronic* signature as
17 defined in ~~NRS 720.060.~~ *section 11 of this act.*

18 **Sec. 51.** NRS 89.250 is hereby amended to read as follows:

19 89.250 1. A professional association shall, on or before the last day
20 of the month in which the anniversary date of its organization occurs in
21 each year, furnish a statement to the secretary of state showing the names
22 and residence addresses of all members and employees in such association
23 and shall certify that all members and employees are licensed to render
24 professional service in this state.

25 2. The statement must:

26 (a) Be made on a form prescribed by the secretary of state and must not
27 contain any fiscal or other information except that expressly called for by
28 this section.

29 (b) Be signed by the chief executive officer of the association.

30 3. Upon filing the annual statement required by this section, the
31 association shall pay to the secretary of state a fee of \$15.

32 4. As used in this section, "signed" means to have executed or adopted
33 a name, word or mark, including, without limitation, ~~fa-digital~~ *an*
34 *electronic* signature as defined in ~~NRS 720.060.~~ *section 11 of this act,*
35 with the present intention to authenticate a document.

36 **Sec. 52.** NRS 92A.230 is hereby amended to read as follows:

37 92A.230 1. Articles of merger or exchange must be signed by each
38 domestic constituent entity as follows:

39 (a) By the president or a vice president of a domestic corporation,
40 whether or not for profit;

41 (b) By all the general partners of a domestic limited partnership;

42 (c) By a manager of a domestic limited-liability company with
43 managers or by all the members of a domestic limited-liability company
44 without managers; and

45 (d) By a trustee of a domestic business trust.

46 2. If the domestic entity is a corporation, the articles must also be
47 signed by the secretary or an assistant secretary.

48 3. Articles of merger or exchange must be signed by each foreign
49 constituent entity in the manner provided by the law governing it.



* S B 4 9 R 1 *

- 1 4. As used in this section, “signed” means to have executed or adopted
2 a name, word or mark, including, without limitation, ~~ta digital~~ *an*
3 *electronic* signature as defined in ~~NRS 720.060,~~ *section 11 of this act,*
4 with the present intention to authenticate a document.
5 **Sec. 53.** NRS 720.170 is hereby repealed.
6 **Sec. 54.** This act becomes effective on July 1, 2001.

TEXT OF REPEALED SECTION

720.170 Authorization for electronic submission of documents to public agency.

1. Except as otherwise provided by specific statute, a public agency may provide that any document submitted to the public agency may be submitted electronically if the document is transformed by a digital signature.

2. As used in this section, “public agency” means an agency, bureau, board, commission, department or division of the State of Nevada or a political subdivision thereof.

