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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.

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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 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.*



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- 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; or

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.

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

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

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

17 2. The provisions of section 101(c) of the Electronic Signatures in
18 Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq., apply
19 under this chapter to a transaction in which a natural person acquires
20 goods or services that are used primarily for personal, family or
21 household purposes.

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

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

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

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

39 5. Whether an electronic record or electronic signature has legal
40 consequences is determined by the provisions of this chapter and other
41 applicable law.

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

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

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

48 4. If a law requires a signature, an electronic signature satisfies the
49 law.



- 1 *Sec. 24. 1. If parties have agreed to conduct a transaction by*
2 *electronic means and a law requires that a contract or other record*
3 *relating to the transaction be in writing, the legal effect, validity or*
4 *enforceability of the contract or other record may be denied if an*
5 *electronic record of the contract or other record is not in a form that is*
6 *capable of being retained and accurately reproduced for later reference*
7 *by all parties or other persons who are entitled to retain the contract or*
8 *record.*
- 9 2. If a law other than this chapter requires a record to be posted or
10 displayed in a certain manner, to be sent, communicated or transmitted
11 by a specified method or to contain information that is formatted in a
12 certain manner, the following rules apply:
- 13 (a) The record must be posted or displayed in the manner specified in
14 the other law.
- 15 (b) Except as otherwise provided in paragraph (b) of subsection 6, the
16 record must be sent, communicated or transmitted by the method
17 specified in the other law.
- 18 (c) The record must contain the information formatted in the manner
19 specified in the other law.
- 20 3. If a sender inhibits the ability of a recipient to store or print an
21 electronic record, the electronic record is not enforceable against the
22 recipient.
- 23 4. A requirement that a notice be in writing is not satisfied by
24 providing or delivering the notice electronically if the notice is a notice
25 of:
- 26 (a) The cancellation or termination of service by a public utility;
27 (b) Default, acceleration, repossession, foreclosure or eviction, or the
28 right to cure, under a credit agreement secured by, or a rental agreement
29 for, a primary residence of a natural person;
30 (c) The cancellation or termination of a policy of health insurance,
31 benefits received pursuant to a policy of health insurance or benefits
32 received pursuant to a policy life insurance, excluding annuities; or
33 (d) The recall of a product, or material failure of a product, that risks
34 endangering the health or safety of a person.
- 35 5. A requirement that a document be in writing is not satisfied by
36 providing or delivering the document electronically if the document is
37 required to accompany any transportation or handling of hazardous
38 materials, pesticides, or other toxic or dangerous materials.
- 39 6. The requirements of this section may not be varied by agreement,
40 but:
- 41 (a) To the extent a law other than this chapter requires that a contract
42 or other record relating to a transaction to be in writing but permits that
43 requirement to be varied by agreement, the provisions of subsection 1
44 concerning the denial of the legal effect, validity or enforceability of a
45 contract or other record relating to a transaction may also be varied by
46 agreement; and
47 (b) A requirement under a law other than this chapter to send,
48 communicate or transmit a record by first-class mail, postage prepaid,



1 *regular United States mail, may be varied by agreement to the extent*
2 *permitted by the other law.*

3 **Sec. 25.** *1. An electronic record or electronic signature is*
4 *attributable to a person if it was the act of the person. The act of the*
5 *person may be shown in any manner, including a showing of the efficacy*
6 *of any security procedure applied to determine the person to whom the*
7 *electronic record or electronic signature was attributable.*

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

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

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

20 *2. In an automated transaction involving a natural person, the*
21 *natural person may avoid the effect of an electronic record that resulted*
22 *from an error made by him in dealing with the electronic agent of*
23 *another person if the electronic agent did not provide an opportunity for*
24 *the prevention or correction of the error and, at the time the natural*
25 *person learns of the error, the natural person:*

26 *(a) Promptly notifies the other person of the error and that the natural*
27 *person did not intend to be bound by the electronic record received by the*
28 *other person;*

29 *(b) Takes reasonable steps, including steps that conform to the other*
30 *person's reasonable instructions, to return to the other person or, if*
31 *instructed by the other person, to destroy the consideration received, if*
32 *any, as a result of the erroneous electronic record; and*

33 *(c) Has not used or received any benefit or value from the*
34 *consideration, if any, received from the other person.*

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

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

39 **Sec. 27.** *If a law requires a signature or record to be notarized,*
40 *acknowledged, verified or made under oath, the requirement is satisfied*
41 *if the electronic signature of the person authorized to perform those acts,*
42 *together with all other information required to be included by other*
43 *applicable law, is attached to or logically associated with the signature or*
44 *record.*

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



1 (a) *Accurately reflects the information set forth in the record after it*
2 *was first generated in its final form as an electronic record or otherwise;*
3 *and*

4 (b) *Remains accessible to all persons who are legally entitled to access*
5 *to the record, for the period required by law, in a form that is capable of*
6 *being accurately reproduced for later reference.*

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

10 3. *A person may satisfy subsection 1 by using the services of another*
11 *person if the requirements of that subsection are satisfied.*

12 4. *If a law requires a record to be presented or retained in its original*
13 *form, or provides consequences if the record is not presented or retained*
14 *in its original form, that law is satisfied by an electronic record retained*
15 *in accordance with subsection 1.*

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

19 6. *A record retained as an electronic record in accordance with*
20 *subsection 1 satisfies a law requiring a person to retain a record for*
21 *evidentiary, audit or like purposes, unless a law enacted after October 1,*
22 *2001, specifically prohibits the use of an electronic record for the*
23 *specified purpose.*

24 7. *This section does not preclude a governmental agency of this state*
25 *from specifying additional requirements for the retention of a record*
26 *subject to the agency's jurisdiction.*

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

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

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

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

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

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

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

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

47 (c) *Enters an information processing system outside the control of the*
48 *sender or of a person that sent the electronic record on behalf of the*
49 *sender or enters a region of the information processing system*



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- 1 designated or used by the recipient which is under the control of the
2 recipient.
- 3 2. Unless otherwise agreed between a sender and the recipient, an
4 electronic record is received when:
- 5 (a) It enters an information processing system that the recipient has
6 designated or uses for the purpose of receiving electronic records or
7 information of the type sent and from which the recipient is able to
8 retrieve the electronic record; and
- 9 (b) It is in a form capable of being processed by that system.
- 10 3. Subsection 2 applies even if the place the information processing
11 system is located is different from the place the electronic record is
12 deemed to be received under subsection 4.
- 13 4. Unless otherwise expressly provided in the electronic record or
14 agreed between the sender and the recipient, an electronic record is
15 deemed to be sent from the sender's place of business and to be received
16 at the recipient's place of business. For purposes of this subsection, the
17 following rules apply:
- 18 (a) If the sender or recipient has more than one place of business, his
19 place of business is the place having the closest relationship to the
20 underlying transaction.
- 21 (b) If the sender or the recipient does not have a place of business, the
22 place of business is the sender's or recipient's residence, as the case may
23 be.
- 24 5. An electronic record is received under subsection 2 even if no
25 natural person is aware of its receipt.
- 26 6. Receipt of an electronic acknowledgment from an information
27 processing system described in subsection 2 establishes that a record was
28 received but, by itself, does not establish that the content sent
29 corresponds to the content received.
- 30 7. If a person is aware that an electronic record purportedly sent
31 under subsection 1, or purportedly received under subsection 2, was not
32 actually sent or received, the legal effect of the sending or receipt is
33 determined by other applicable law. Except to the extent permitted by the
34 other law, the requirements of this subsection may not be varied by
35 agreement.
- 36 **Sec. 32. 1.** In this section, "transferable record" means an
37 electronic record that:
- 38 (a) Would be a note under NRS 104.3101 to 104.3605, inclusive, or a
39 document under NRS 104.7101 to 104.7603, inclusive, if the electronic
40 record were in writing; and
- 41 (b) The issuer of the electronic record expressly has agreed is a
42 transferable record.
- 43 2. A person has control of a transferable record if a system employed
44 for evidencing the transfer of interests in the transferable record reliably
45 establishes him as the person to whom the transferable record was issued
46 or transferred.
- 47 3. A system satisfies subsection 2, and a person is deemed to have
48 control of a transferable record, if the transferable record is created,
49 stored and assigned in such a manner that:



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- 1 (a) *A single authoritative copy of the transferable record exists which*
2 *is unique, identifiable, and, except as otherwise provided in paragraphs*
3 *(d), (e) and (f), unalterable;*
4 (b) *The authoritative copy identifies the person asserting control as:*
5 (1) *The person to whom the transferable record was issued; or*
6 (2) *If the authoritative copy indicates that the transferable record*
7 *has been transferred, the person to whom the transferable record was*
8 *most recently transferred;*
9 (c) *The authoritative copy is communicated to and maintained by the*
10 *person asserting control or its designated custodian;*
11 (d) *Copies or revisions that add or change an identified assignee of*
12 *the authoritative copy can be made only with the consent of the person*
13 *asserting control;*
14 (e) *Each copy of the authoritative copy and any copy of a copy is*
15 *readily identifiable as a copy that is not the authoritative copy; and*
16 (f) *Any revision of the authoritative copy is readily identifiable as*
17 *authorized or unauthorized.*
18 4. *Except as otherwise agreed, a person having control of a*
19 *transferable record is the holder, as defined in subsection 20 of NRS*
20 *104.1201, of the transferable record and has the same rights and*
21 *defenses as a holder of an equivalent record or writing under the*
22 *Uniform Commercial Code, including, if the applicable statutory*
23 *requirements under NRS 104.7501, 104.9308 or subsection 1 of NRS*
24 *104.3302 are satisfied, the rights and defenses of a holder to whom a*
25 *negotiable document of title has been duly negotiated, a purchaser, or a*
26 *holder in due course, respectively. Delivery, possession and endorsement*
27 *are not required to obtain or exercise any of the rights under this*
28 *subsection.*
29 5. *Except as otherwise agreed, an obligor under a transferable*
30 *record has the same rights and defenses as an equivalent obligor under*
31 *equivalent records or writings under the Uniform Commercial Code.*
32 6. *If requested by a person against whom enforcement is sought, the*
33 *person seeking to enforce the transferable record shall provide*
34 *reasonable proof that he is in control of the transferable record. Proof*
35 *may include access to the authoritative copy of the transferable record*
36 *and related business records sufficient to review the terms of the*
37 *transferable record and to establish the identity of the person having*
38 *control of the transferable record.*
39 Sec. 33. *Each governmental agency of this state shall determine*
40 *whether, and the extent to which, it will create and retain electronic*
41 *records and convert written records to electronic records.*
42 Sec. 34. 1. *Except as otherwise provided in subsection 6 of section*
43 *28 of this act, each governmental agency of this state shall determine*
44 *whether, and the extent to which, it will send and accept electronic*
45 *records and electronic signatures to and from other persons and*
46 *otherwise create, generate, communicate, store, process, use and rely*
47 *upon electronic records and electronic signatures.*



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

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

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

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

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

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

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

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

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

28 **Sec. 37.** NRS 720.010 is hereby amended to read as follows:

29 720.010 As used in this chapter, unless the context otherwise requires,
30 the words and terms defined in NRS 720.020 to 720.130, inclusive, *and*
31 *section 36 of this act*, have the meanings ascribed to them in those
32 sections.

33 **Sec. 38.** NRS 720.060 is hereby amended to read as follows:

34 720.060 "Digital signature" means ~~the transformation of~~ *an electronic*
35 *signature that transforms* a message *by* using an asymmetric
36 cryptosystem. *As used in this section, "electronic signature" has the*
37 *meaning ascribed to it in section 11 of this act.*

38 **Sec. 39.** NRS 720.140 is hereby amended to read as follows:

39 720.140 *1.* The provisions of this chapter apply to any transaction for
40 which a digital signature ~~may be~~ *is* used to ~~satisfy a requirement that a~~
41 ~~document or record be signed or in writing as set forth in NRS 720.160,~~
42 ~~including, without limitation, transactions carried out by private businesses~~
43 ~~and transactions carried out by governmental entities.~~ *sign an electronic*
44 *record.*

45 *2. As used in this section, "electronic record" has the meaning*
46 *ascribed to it in section 10 of this act.*

47 **Sec. 40.** NRS 720.160 is hereby amended to read as follows:

48 720.160 *1.* Except as otherwise provided in ~~subsection 2,~~ *this*
49 *section*, if each person ~~for governmental entity~~ who will be involved in the



1 submission and acceptance of a record ~~for other document~~ agrees to the
2 use of a digital signature, ~~where a statute or rule of law requires that the~~
3 ~~record or other document be signed or in writing.~~ the use of a message
4 which:
5 (a) Represents the record ~~for other document;~~ ; and
6 (b) Is transformed by a digital signature,
7 ~~shall be deemed to satisfy the statute or rule of law with respect to the~~
8 ~~requirement that the record or other document be signed or in writing.~~
9 *constitutes a sufficient signing of the record.*
10 2. The provisions of this section do not apply with respect to:
11 (a) ~~A sworn statement;~~
12 ~~(b) An acknowledgment;~~
13 ~~(c)~~ A record ~~for other document~~ that is required to be signed in the
14 presence of a third party; or
15 ~~(d)~~ (b) A record ~~for other document~~ with respect to which the
16 requirement that the record ~~for other document~~ must be signed ~~for in~~
17 ~~writing~~ is accompanied by an additional qualifying requirement.
18 **Sec. 41.** NRS 78.010 is hereby amended to read as follows:
19 78.010 1. As used in this chapter:
20 (a) "Approval" and "vote" as describing action by the directors or
21 stockholders mean the vote of directors in person or by written consent or
22 of stockholders in person, by proxy or by written consent.
23 (b) "Articles," "articles of incorporation" and "certificate of
24 incorporation" are synonymous terms and unless the context otherwise
25 requires, include all certificates filed pursuant to NRS 78.030, 78.1955,
26 78.209, 78.380, 78.385 and 78.390 and any articles of merger or exchange
27 filed pursuant to NRS 92A.200 to 92A.240, inclusive. Unless the context
28 otherwise requires, these terms include restated articles and certificates of
29 incorporation.
30 (c) "Directors" and "trustees" are synonymous terms.
31 (d) "Receiver" includes receivers and trustees appointed by a court as
32 provided in this chapter or in chapter 32 of NRS.
33 (e) "Registered office" means the office maintained at the street address
34 of the resident agent.
35 (f) "Resident agent" means the agent appointed by the corporation upon
36 whom process or a notice or demand authorized by law to be served upon
37 the corporation may be served.
38 (g) "Sign" means to affix a signature to a document.
39 (h) "Signature" means a name, word or mark executed or adopted by a
40 person with the present intention to authenticate a document. The term
41 includes, without limitation, ~~a digital~~ *an electronic* signature as defined
42 in ~~NRS 720.060.~~ *section 11 of this act.*
43 (i) "Stockholder of record" means a person whose name appears on the
44 stock ledger of the corporation.
45 (j) "Street address" of a resident agent means the actual physical
46 location in this state at which a resident agent is available for service of
47 process.



1 2. General terms and powers given in this chapter are not restricted by
2 the use of special terms, or by any grant of special powers contained in this
3 chapter.

4 **Sec. 42.** NRS 78A.090 is hereby amended to read as follows:

5 78A.090 1. A close corporation may operate without a board of
6 directors if the certificate of incorporation contains a statement to that
7 effect.

8 2. An amendment to the certificate of incorporation eliminating a
9 board of directors must be approved:

10 (a) By all the shareholders of the corporation, whether or not otherwise
11 entitled to vote on amendments; or

12 (b) If no shares have been issued, by all subscribers for shares, if any, or
13 if none, by the incorporators.

14 3. While a corporation is operating without a board of directors as
15 authorized by subsection 1:

16 (a) All corporate powers must be exercised by or under the authority of,
17 and the business and affairs of the corporation managed under the direction
18 of, the shareholders.

19 (b) Unless the articles of incorporation provide otherwise:

20 (1) Action requiring the approval of the board of directors or of both
21 the board of directors and the shareholders is authorized if approved by the
22 shareholders; and

23 (2) Action requiring a majority or greater percentage vote of the
24 board of directors is authorized if approved by the majority or greater
25 percentage of votes of the shareholders entitled to vote on the action.

26 (c) A requirement by a state or the United States that a document
27 delivered for filing contain a statement that specified action has been taken
28 by the board of directors is satisfied by a statement that the corporation is a
29 close corporation without a board of directors and that the action was
30 approved by the shareholders.

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

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

40 5. As used in this section, "sign" means to execute or adopt a name,
41 word or mark, including, without limitation, ~~{a digital}~~ *an electronic*
42 signature as defined in ~~{NRS 720.060,}~~ *section 11 of this act*, with the
43 present intention to authenticate a document.

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

45 80.003 "Signed" means to have executed or adopted a name, word or
46 mark, including, without limitation, ~~{a digital}~~ *an electronic* signature as
47 defined in ~~{NRS 720.060,}~~ *section 11 of this act*, with the present intention
48 to authenticate a document.



1 **Sec. 44.** NRS 81.0015 is hereby amended to read as follows:
2 81.0015 "Signed" means to have executed or adopted a name, word or
3 mark, including, without limitation, ~~to digital~~ *an electronic* signature as
4 defined in ~~NRS 720.060, section 11 of this act~~, with the present intention
5 to authenticate a document.

6 **Sec. 45.** NRS 82.043 is hereby amended to read as follows:
7 82.043 "Signature" means a name, word or mark executed or adopted
8 by a person with the present intention to authenticate a document. The term
9 includes, without limitation, ~~to digital~~ *an electronic* signature as defined
10 in ~~NRS 720.060, section 11 of this act~~.

11 **Sec. 46.** NRS 84.004 is hereby amended to read as follows:
12 84.004 "Signed" means to have executed or adopted a name, word or
13 mark, including, without limitation, ~~to digital~~ *an electronic* signature as
14 defined in ~~NRS 720.060, section 11 of this act~~, with the present intention
15 to authenticate a document.

16 **Sec. 47.** NRS 86.127 is hereby amended to read as follows:
17 86.127 "Signature" means a name, word or mark executed or adopted
18 by a person with the present intention to authenticate a document. The term
19 includes, without limitation, ~~to digital~~ *an electronic* signature as defined
20 in ~~NRS 720.060, section 11 of this act~~.

21 **Sec. 48.** NRS 87.020 is hereby amended to read as follows:
22 87.020 As used in this chapter, unless the context otherwise requires:

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

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

26 3. "Conveyance" includes every assignment, lease, mortgage or
27 encumbrance.

28 4. "Court" includes every court and judge having jurisdiction in the
29 case.

30 5. "Professional service" means any type of personal service which
31 may legally be performed only pursuant to a license or certificate of
32 registration.

33 6. "Real property" includes land and any interest or estate in land.

34 7. "Registered limited-liability partnership" means a partnership
35 formed pursuant to an agreement governed by this chapter for the purpose
36 of rendering a professional service and registered pursuant to and
37 complying with NRS 87.440 to 87.560, inclusive.

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

42 9. "Signed" means to have affixed a signature to a document.

43 10. "Street address" of a resident agent means the actual physical
44 location in this state at which a resident agent is available for service of
45 process.

46 **Sec. 49.** NRS 88.315 is hereby amended to read as follows:

47 88.315 As used in this chapter, unless the context otherwise requires:

48 1. "Certificate of limited partnership" means the certificate referred to
49 in NRS 88.350, and the certificate as amended or restated.



- 1 2. "Contribution" means any cash, property, services rendered, or a
2 promissory note or other binding obligation to contribute cash or property
3 or to perform services, which a partner contributes to a limited partnership
4 in his capacity as a partner.
- 5 3. "Event of withdrawal of a general partner" means an event that
6 causes a person to cease to be a general partner as provided in NRS 88.450.
- 7 4. "Foreign limited partnership" means a partnership formed under the
8 laws of any state other than this state and having as partners one or more
9 general partners and one or more limited partners.
- 10 5. "General partner" means a person who has been admitted to a
11 limited partnership as a general partner in accordance with the partnership
12 agreement and named in the certificate of limited partnership as a general
13 partner.
- 14 6. "Limited partner" means a person who has been admitted to a
15 limited partnership as a limited partner in accordance with the partnership
16 agreement.
- 17 7. "Limited partnership" and "domestic limited partnership" mean a
18 partnership formed by two or more persons under the laws of this state and
19 having one or more general partners and one or more limited partners.
- 20 8. "Partner" means a limited or general partner.
- 21 9. "Partnership agreement" means any valid agreement, written or oral,
22 of the partners as to the affairs of a limited partnership and the conduct of
23 its business.
- 24 10. "Partnership interest" means a partner's share of the profits and
25 losses of a limited partnership and the right to receive distributions of
26 partnership assets.
- 27 11. "Registered office" means the office maintained at the street
28 address of the resident agent.
- 29 12. "Resident agent" means the agent appointed by the limited
30 partnership upon whom process or a notice or demand authorized by law to
31 be served upon the limited partnership may be served.
- 32 13. "Sign" means to affix a signature to a document.
- 33 14. "Signature" means a name, word or mark executed or adopted by a
34 person with the present intention to authenticate a document. The term
35 includes, without limitation, ~~the digital~~ *an electronic* signature as defined
36 in ~~NRS 720.060~~ *section 11 of this act*.
- 37 15. "State" means a state, territory or possession of the United States,
38 the District of Columbia or the Commonwealth of Puerto Rico.
- 39 16. "Street address" of a resident agent means the actual physical
40 location in this state at which a resident is available for service of process.
- 41 **Sec. 50.** NRS 88A.090 is hereby amended to read as follows:
42 88A.090 "Signature" means a name, word or mark executed or
43 adopted by a person with the present intention to authenticate a document.
44 The term includes, without limitation, ~~the digital~~ *an electronic* signature as
45 defined in ~~NRS 720.060~~ *section 11 of this act*.
- 46 **Sec. 51.** NRS 89.250 is hereby amended to read as follows:
47 89.250 1. A professional association shall, on or before the last day
48 of the month in which the anniversary date of its organization occurs in
49 each year, furnish a statement to the secretary of state showing the names



1 and residence addresses of all members and employees in such association
2 and shall certify that all members and employees are licensed to render
3 professional service in this state.
4 2. The statement must:
5 (a) Be made on a form prescribed by the secretary of state and must not
6 contain any fiscal or other information except that expressly called for by
7 this section.
8 (b) Be signed by the chief executive officer of the association.
9 3. Upon filing the annual statement required by this section, the
10 association shall pay to the secretary of state a fee of \$15.
11 4. As used in this section, "signed" means to have executed or adopted
12 a name, word or mark, including, without limitation, ~~ta digital~~ *an*
13 *electronic* signature as defined in ~~NRS 720.060,~~ *section 11 of this act,*
14 with the present intention to authenticate a document.
15 **Sec. 52.** NRS 92A.230 is hereby amended to read as follows:
16 92A.230 1. Articles of merger or exchange must be signed by each
17 domestic constituent entity as follows:
18 (a) By the president or a vice president of a domestic corporation,
19 whether or not for profit;
20 (b) By all the general partners of a domestic limited partnership;
21 (c) By a manager of a domestic limited-liability company with
22 managers or by all the members of a domestic limited-liability company
23 without managers; and
24 (d) By a trustee of a domestic business trust.
25 2. If the domestic entity is a corporation, the articles must also be
26 signed by the secretary or an assistant secretary.
27 3. Articles of merger or exchange must be signed by each foreign
28 constituent entity in the manner provided by the law governing it.
29 4. As used in this section, "signed" means to have executed or adopted
30 a name, word or mark, including, without limitation, ~~ta digital~~ *an*
31 *electronic* signature as defined in ~~NRS 720.060,~~ *section 11 of this act,*
32 with the present intention to authenticate a document.
33 **Sec. 53.** NRS 720.170 is hereby repealed.
34 **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.



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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.

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