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ASSEMBLY BILL NO. 181—ASSEMBLYMEN GOICOECHEA,  
CARPENTER, GRADY, ATKINSON AND MARVEL

MARCH 8, 2005

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Referred to Committee on Natural Resources,  
Agriculture, and Mining

SUMMARY—Removes requirement that person obtain license to  
act as cash buyer or agent of cash buyer of farm  
products or livestock. (BDR 50-980)

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

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

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AN ACT relating to agriculture; removing the requirement that a  
person obtain a license to act as a cash buyer or as an  
agent of a cash buyer of farm products or livestock; and  
providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

- 1 Existing law requires a person who acts as a livestock or farm product dealer,  
2 farm product broker, commission merchant, cash buyer of farm products or  
3 livestock, and agent for a commission merchant, dealer, broker or cash buyer to  
4 obtain a license from the State Department of Agriculture. (NRS 576.020)  
5 This bill removes the licensure requirement for cash buyers and agents of cash  
6 buyers of farm products or livestock by expressly providing that such cash buyers  
7 and agents are not required to obtain a license from the Department.
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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 576.0115 is hereby amended to read as  
2 follows:  
3 576.0115 “Agent” means any person who, on behalf of any  
4 commission merchant, dealer ~~[- broker or cash buyer,]~~ *or broker,*  
5 receives, contracts for or solicits the sale, exchange or transfer of  
6 farm products or livestock from a producer thereof, or who  
7 negotiates the consignment or purchase of any farm product or



1 livestock on behalf of any commission merchant, dealer ~~[, broker or~~  
2 ~~cash buyer.] or broker.~~

3 **Sec. 2.** NRS 576.020 is hereby amended to read as follows:

4 576.020 **1.** A person shall not act as a broker, dealer,  
5 commission merchant ~~[, cash buyer]~~ or agent without having  
6 obtained a license from the Department as provided in this chapter.

7 **2.** *A cash buyer or an agent of a cash buyer is not required to*  
8 *obtain a license pursuant to this chapter before acting as a cash*  
9 *buyer or an agent of a cash buyer.*

10 **Sec. 3.** NRS 576.030 is hereby amended to read as follows:

11 576.030 **1.** Every person, before acting as a broker, dealer,  
12 commission merchant ~~[, cash buyer]~~ or agent, shall file an  
13 application with the Department for a license to transact such  
14 business. Separate applications must be filed for each class of  
15 business.

16 **2.** The application must be on a form prescribed and furnished  
17 by the Department and must set forth:

18 (a) The full name of the person applying for the license. If the  
19 applicant is a firm, exchange, association or corporation, the full  
20 name of each member of the firm, or the names of the officers of the  
21 exchange, association or corporation must be given in the  
22 application.

23 (b) If the applicant is a natural person, the social security  
24 number of the applicant.

25 (c) The principal business address of the applicant in this State  
26 and elsewhere.

27 (d) The name of the person authorized to accept service of  
28 summons and legal notice of all kinds for the applicant.

29 (e) The names and addresses of all persons by whom the  
30 applicant has been employed for a period of 3 years immediately  
31 preceding the making of the application.

32 (f) A complete statement of the applicant's business activity for  
33 the 3 years immediately preceding the making of the application  
34 which is not covered by paragraph (e).

35 (g) A statement of whether the applicant has ever been arrested  
36 for any crime other than a traffic violation punishable by a fine of  
37 \$25 or less and, if so, when and where, the nature of the crime  
38 charged, the disposition of the charge, the title and address of the  
39 police officers having custody of the record of arrest, and the names  
40 and locations of all the courts before which any proceedings in  
41 connection with the arrest took place.

42 (h) A statement of whether the applicant has ever been a party in  
43 a civil suit and, if so, the nature of the suit, whether the applicant  
44 was the plaintiff or the defendant, the disposition of the suit, and, if



1 the applicant was the defendant and lost, whether there is a  
2 judgment or any portion thereof which remains unpaid.

3 (i) The county or counties in which the applicant proposes to  
4 engage in business.

5 (j) The class or classes of farm products the applicant proposes  
6 to handle.

7 (k) Such other information as the Department may reasonably  
8 require.

9 3. In addition to the general requirements applicable to all  
10 classes of applications as set forth in subsection 2, the following  
11 requirements apply to the class of applications specified in this  
12 subsection:

13 (a) Commission merchants. Each application must include a  
14 complete schedule of commissions and an itemized listing of all  
15 charges for all services. Any services rendered for which charges are  
16 made, if not listed in the schedule on the application, must be  
17 rendered on a strictly cost basis.

18 (b) Agents. Each application must be in the same form as an  
19 application for a license as a broker, dealer or commission  
20 merchant, and must include the name and address of the broker,  
21 dealer ~~[ ] or~~ commission merchant ~~[or cash-buyer]~~ represented or  
22 sought to be represented by the agent, and the written endorsement  
23 or nomination of the broker, dealer ~~[ ] or~~ commission merchant . ~~[or~~  
24 ~~cash-buyer.]~~

25 4. The application must be accompanied by an executed  
26 instrument whereby the applicant:

27 (a) Appoints and constitutes the Director and his successor or  
28 successors in office the true and lawful attorney of the applicant  
29 upon whom all lawful process in any action or legal proceeding  
30 against the applicant arising in this State from a transaction under  
31 the provisions of this chapter may be served; and

32 (b) Agrees that any lawful process against him which may be  
33 served upon his attorney as provided in this subsection is of the  
34 same force and validity as if served upon him and that the authority  
35 thereof continues in force irrevocably as long as any liability of the  
36 applicant in the State remains outstanding.

37 **Sec. 4.** NRS 576.030 is hereby amended to read as follows:

38 576.030 1. Every person, before acting as a broker, dealer,  
39 commission merchant ~~[, cash-buyer]~~ or agent, shall file an  
40 application with the Department for a license to transact such  
41 business. Separate applications must be filed for each class of  
42 business.

43 2. The application must be on a form prescribed and furnished  
44 by the Department and must set forth:



1 (a) The full name of the person applying for the license. If the  
2 applicant is a firm, exchange, association or corporation, the full  
3 name of each member of the firm, or the names of the officers of the  
4 exchange, association or corporation must be given in the  
5 application.

6 (b) The principal business address of the applicant in this State  
7 and elsewhere.

8 (c) The name of the person authorized to accept service of  
9 summons and legal notice of all kinds for the applicant.

10 (d) The names and addresses of all persons by whom the  
11 applicant has been employed for a period of 3 years immediately  
12 preceding the making of the application.

13 (e) A complete statement of the applicant's business activity for  
14 the 3 years immediately preceding the making of the application  
15 which is not covered by paragraph (d).

16 (f) A statement of whether the applicant has ever been arrested  
17 for any crime other than a traffic violation punishable by a fine of  
18 \$25 or less and, if so, when and where, the nature of the crime  
19 charged, the disposition of the charge, the title and address of the  
20 police officers having custody of the record of arrest, and the names  
21 and locations of all the courts before which any proceedings in  
22 connection with the arrest took place.

23 (g) A statement of whether the applicant has ever been a party in  
24 a civil suit and, if so, the nature of the suit, whether the applicant  
25 was the plaintiff or the defendant, the disposition of the suit, and, if  
26 the applicant was the defendant and lost, whether there is a  
27 judgment or any portion thereof which remains unpaid.

28 (h) The county or counties in which the applicant proposes to  
29 engage in business.

30 (i) The class or classes of farm products the applicant proposes  
31 to handle.

32 (j) Such other information as the Department may reasonably  
33 require.

34 3. In addition to the general requirements applicable to all  
35 classes of applications as set forth in subsection 2, the following  
36 requirements apply to the class of applications specified in of this  
37 subsection:

38 (a) Commission merchants. Each application must include a  
39 complete schedule of commissions and an itemized listing of all  
40 charges for all services. Any services rendered for which charges are  
41 made, if not listed in the schedule on the application, must be  
42 rendered on a strictly cost basis.

43 (b) Agents. Each application must be in the same form as an  
44 application for a license as a broker, dealer or commission  
45 merchant, and must include the name and address of the broker,



1 dealer ~~[ ] or~~ commission merchant ~~[or cash buyer]~~ represented or  
2 sought to be represented by the agent, and the written endorsement  
3 or nomination of the broker, dealer ~~[ ] or~~ commission merchant . ~~[or~~  
4 ~~cash buyer.]~~

5 4. The application must be accompanied by an executed  
6 instrument whereby the applicant:

7 (a) Appoints and constitutes the Director and his successor or  
8 successors in office the true and lawful attorney of the applicant  
9 upon whom all lawful process in any action or legal proceeding  
10 against the applicant arising in this State from a transaction under  
11 the provisions of this chapter may be served; and

12 (b) Agrees that any lawful process against him which may be  
13 served upon his attorney as provided in this subsection is of the  
14 same force and validity as if served upon him and that the authority  
15 thereof continues in force irrevocably as long as any liability of the  
16 applicant in the State remains outstanding.

17 **Sec. 5.** NRS 576.032 is hereby amended to read as follows:

18 576.032 1. A natural person who applies for the issuance or  
19 renewal of a license as a broker, dealer, commission merchant ~~[~~  
20 ~~cash buyer]~~ or agent shall submit to the Department the statement  
21 prescribed by the Welfare Division of the Department of Human  
22 Resources pursuant to NRS 425.520. The statement must be  
23 completed and signed by the applicant.

24 2. The Department shall include the statement required  
25 pursuant to subsection 1 in:

26 (a) The application or any other forms that must be submitted  
27 for the issuance or renewal of the license; or

28 (b) A separate form prescribed by the Department.

29 3. A license as a broker, dealer, commission merchant ~~[, cash~~  
30 ~~buyer]~~ or agent may not be issued or renewed by the Department if  
31 the applicant is a natural person who:

32 (a) Fails to submit the statement required pursuant to  
33 subsection 1; or

34 (b) Indicates on the statement submitted pursuant to  
35 subsection 1 that he is subject to a court order for the support of a  
36 child and is not in compliance with the order or a plan approved by  
37 the district attorney or other public agency enforcing the order for  
38 the repayment of the amount owed pursuant to the order.

39 4. If an applicant indicates on the statement submitted pursuant  
40 to subsection 1 that he is subject to a court order for the support of a  
41 child and is not in compliance with the order or a plan approved by  
42 the district attorney or other public agency enforcing the order for  
43 the repayment of the amount owed pursuant to the order, the  
44 Department shall advise the applicant to contact the district attorney



1 or other public agency enforcing the order to determine the actions  
2 that the applicant may take to satisfy the arrearage.

3 **Sec. 6.** NRS 576.035 is hereby amended to read as follows:

4 576.035 1. The Department shall require the applicant for a  
5 license as a broker, dealer, commission merchant ~~[-, cash-buyer]~~ or  
6 agent to make a showing of character, responsibility and good faith  
7 in seeking to carry on the business stated in the application, and may  
8 make investigations, hold hearings and make determinations  
9 regarding those matters.

10 2. If the applicant is a corporation or partnership, it shall satisfy  
11 the Department of the character, responsibility and good faith of all  
12 persons connected with it in a responsible or managing position,  
13 including the manager, superintendent, officer and director.

14 3. Failure of any person to satisfy the Department of his  
15 character, responsibility or good faith may be considered by the  
16 Department as adverse to a showing of such qualifications and is  
17 sufficient grounds for the denial of an application for a license or of  
18 the renewal thereof. A previous conviction of a felony, previous  
19 bankruptcy, voluntary or involuntary, or previous violation of this  
20 chapter may be considered by the Department as adverse to a  
21 showing of such character, responsibility or good faith on the part of  
22 the applicant.

23 4. Any person adjudged a bankrupt, or any person against  
24 whose bondsman or bondsmen or deposit in lieu of bond a claim has  
25 been collected by a court order, who has not made full settlement  
26 with all producer-creditors, may not be licensed by the Department  
27 for 3 years after the date of the adjudication or collection.

28 5. The Department may refuse to accept a new application for a  
29 license by an applicant rejected pursuant to this section for a period  
30 not exceeding 3 years after the date of rejection of the first  
31 application.

32 **Sec. 7.** NRS 576.050 is hereby amended to read as follows:

33 576.050 Each applicant for a license as a broker, dealer,  
34 commission merchant ~~[-, cash-buyer]~~ or agent shall pay to the  
35 Department an annual license fee established by regulation of the  
36 State Board of Agriculture.

37 **Sec. 8.** NRS 576.080 is hereby amended to read as follows:

38 576.080 Licenses must be in such form as the Department may  
39 prescribe, must be under the seal of the Department and must set  
40 forth:

41 1. The name and address of the dealer, broker, commission  
42 merchant ~~[-, cash-buyer]~~ or agent.

43 2. The period of the license.

44 3. Such other information as the Department reasonably may  
45 require.



1       4. The amount of the bond, deposit or other security required  
2 by NRS 576.040.

3       **Sec. 9.** NRS 576.095 is hereby amended to read as follows:

4       576.095 Any person who has applied for and obtained a license  
5 as a dealer, broker ~~[-, cash-buyer]~~ or commission merchant as  
6 provided in this chapter may apply for and secure a license in any  
7 other classification or classifications without payment of further fee  
8 upon complying with the provisions of this chapter relating to the  
9 licensing of the other classifications involved.

10       **Sec. 10.** NRS 576.100 is hereby amended to read as follows:

11       576.100 1. An agent shall not act for any dealer, broker ~~[-,~~  
12 ~~cash-buyer]~~ or commission merchant unless:

13       (a) The dealer, broker ~~[-, cash-buyer]~~ or commission merchant is  
14 licensed and has designated the agent to act in his behalf; and

15       (b) The Department has been notified in writing and has  
16 approved the appointment of the agent.

17       2. The dealer, broker ~~[-, cash-buyer]~~ or commission merchant is  
18 accountable and responsible for contracts made by his agents.

19       3. An agent must, before approval by the Department, file an  
20 application with the Department pursuant to paragraph (b) of  
21 subsection 3 of NRS 576.030.

22       **Sec. 11.** NRS 576.121 is hereby amended to read as follows:

23       576.121 1. If the Department receives a copy of a court order  
24 issued pursuant to NRS 425.540 that provides for the suspension of  
25 all professional, occupational and recreational licenses, certificates  
26 and permits issued to a person who is the holder of a license as a  
27 broker, dealer, commission merchant ~~[-, cash-buyer]~~ or agent, the  
28 Department shall deem the license issued to that person to be  
29 suspended at the end of the 30th day after the date on which the  
30 court order was issued unless the Department receives a letter issued  
31 to the holder of the license by the district attorney or other public  
32 agency pursuant to NRS 425.550 stating that the holder of the  
33 license has complied with the subpoena or warrant or has satisfied  
34 the arrearage pursuant to NRS 425.560.

35       2. The Department shall reinstate a license as a broker, dealer,  
36 commission merchant ~~[-, cash-buyer]~~ or agent that has been  
37 suspended by a district court pursuant to NRS 425.540 if the  
38 Department receives a letter issued by the district attorney or other  
39 public agency pursuant to NRS 425.550 to the person whose license  
40 was suspended stating that the person whose license was suspended  
41 has complied with the subpoena or warrant or has satisfied the  
42 arrearage pursuant to NRS 425.560.

43       **Sec. 12.** NRS 576.127 is hereby amended to read as follows:

44       576.127 1. Each dealer ~~[-]~~ **and** commission merchant ~~[and~~  
45 ~~cash-buyer]~~ operating a motor vehicle in the conduct of his licensed



1 business shall carry on the motor vehicle a manifest on a form to be  
2 prescribed or approved by the Department showing:

3 (a) A description of the cargo on the motor vehicle.

4 (b) The brand inspection certificate number for any livestock  
5 being transported.

6 (c) Where and from whom the cargo was purchased.

7 (d) The weight or measure upon which the purchase was made  
8 and, if purchased upon weight, where and by whom weighed and the  
9 weight obtained at the weighing.

10 2. The manifest must be executed in triplicate. One copy must  
11 be given to the consignor or seller. One copy must be retained by  
12 the licensee, and the original, signed by the licensee, must be  
13 transmitted immediately to the Department.

14 3. Any false statements included on a manifest concerning the  
15 nature, quantity, weight, count, grade, quality or any other essential  
16 feature of the cargo constitute grounds for suspension or  
17 cancellation of the licensee's license issued pursuant to the  
18 provisions of this chapter.

19 **Sec. 13.** NRS 576.150 is hereby amended to read as follows:

20 576.150 1. Except as otherwise provided by a specific  
21 statute, a person who acts as a dealer, broker, commission merchant  
22 ~~[, cash buyer]~~ or agent without a license therefor as required by the  
23 provisions of this chapter, or who violates any other provision of  
24 this chapter, or any of the regulations lawfully adopted pursuant to  
25 provisions of this chapter, is guilty of a misdemeanor. If the  
26 violation relates to the failure to make payment for farm products,  
27 an intent to defraud must be proven before a misdemeanor or other  
28 penalty may be imposed.

29 2. Any prosecution brought pursuant to this chapter may be  
30 brought in any county of this State in which the defendant or any  
31 one of the defendants resides, or in which the unlawful act was  
32 committed, or in which the defendant or any one of the defendants  
33 has his principal place of business.

34 3. In addition to any criminal penalty imposed pursuant to, or  
35 any remedy provided by, this chapter, the Director, after notice and  
36 a hearing in an administrative proceeding, may issue an order  
37 against any person who has violated any provision of this chapter or  
38 any regulation adopted pursuant to this chapter imposing a civil  
39 penalty of not more than \$5,000 for each violation. Any civil  
40 penalty collected pursuant to this subsection must be deposited in  
41 the State General Fund.

42 **Sec. 14.** 1. This section and sections 2, 3 and 5 to 13,  
43 inclusive, of this act become effective on July 1, 2005.

44 2. Sections 3, 5 and 11 of this act expire by limitation on the  
45 date on which the provisions of 42 U.S.C. § 666 requiring each state





1 to establish procedures under which the state has authority to  
2 withhold or suspend, or to restrict the use of professional,  
3 occupational and recreational licenses of persons who:

4 (a) Have failed to comply with a subpoena or warrant relating to  
5 a proceeding to determine the paternity of a child or to establish or  
6 enforce an obligation for the support of a child; or

7 (b) Are in arrears in the payment for the support of one or more  
8 children,

9 ➡ are repealed by the Congress of the United States.

10 3. Section 4 of this act becomes effective on the date on which  
11 the provisions of 42 U.S.C. § 666 requiring each state to establish  
12 procedures under which the state has authority to withhold or  
13 suspend, or to restrict the use of professional, occupational and  
14 recreational licenses of persons who:

15 (a) Have failed to comply with a subpoena or warrant relating to  
16 a proceeding to determine the paternity of a child or to establish or  
17 enforce an obligation for the support of a child; or

18 (b) Are in arrears in the payment for the support of one or more  
19 children,

20 ➡ are repealed by the Congress of the United States.







