
ASSEMBLY BILL NO. 491—COMMITTEE ON COMMERCE AND LABOR

MARCH 28, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing private investigators, private patrolmen, process servers, repossessioners, dog handlers, security consultants, and polygraphic examiners or interns. (BDR 54-160)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for Term of Imprisonment in County or City Jail or Detention Facility.
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 regulated professions; revising provisions governing a private investigator, private patrolman, process server, repossessioner, dog handler, security consultant, and polygraphic examiner or intern; increasing certain fees and fines; providing a penalty; and providing other matters properly relating thereto.

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

Section 1. Chapter 648 of NRS is hereby amended by adding thereto a new section to read as follows:

“Calendar quarter” means a period of 3 consecutive months commencing on the first day of January, April, July or October in any year.

Sec. 2. NRS 648.005 is hereby amended to read as follows:

648.005 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 648.006 to 648.016, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.



Sec. 3. NRS 648.012 is hereby amended to read as follows:

648.012 "Private investigator" means any person who for any consideration engages in business or accepts employment to furnish, or agrees to make or makes any investigation for the purpose of obtaining ~~[-]~~ *by any lawful means*, information with reference to:

1. The identity, habits, conduct, business, occupation, honesty, integrity, credibility, knowledge, trustworthiness, efficiency, loyalty, activity, movement, whereabouts, affiliations, associations, transactions, acts, reputation or character of any person;

2. The location, disposition or recovery of lost or stolen property;

3. The cause or responsibility for fires, libels, losses, accidents or damage or injury to persons or to property;

4. Securing evidence to be used before any court, board, officer or investigating committee; or

5. The prevention, detection and removal of surreptitiously installed devices for eavesdropping or observation.

Sec. 4. NRS 648.060 is hereby amended to read as follows:

648.060 1. No person may:

(a) Engage in the business of private investigator, private patrolman, process server, reposessor, dog handler, security consultant, or polygraphic examiner or intern; or

(b) Advertise his business as such, irrespective of the name or title actually used,

↳ unless he is licensed pursuant to this chapter.

2. No person may be employed by a licensee unless the person holds a work card issued by the sheriff of the county in which the work is to be performed. The provisions of this subsection do not apply to a person licensed pursuant to this chapter.

3. A person licensed pursuant to this chapter may *only* employ ~~{only}~~ another licensee, or a nonlicensed person who:

(a) Is at least 18 years of age.

(b) Is a citizen of the United States or lawfully entitled to remain and work in the United States.

(c) Is of good moral character and temperate habits.

(d) Has not been convicted of a felony or a crime involving moral turpitude or the illegal use or possession of a dangerous weapon.

Sec. 5. NRS 648.063 is hereby amended to read as follows:

648.063 An unlicensed person who performs a single act *or who contracts with or employs an unlicensed person to perform an act* for which a license is required has engaged in the business for which the license is required and, unless exempt from licensing, has violated NRS 648.060.



Sec. 6. NRS 648.070 is hereby amended to read as follows:

648.070 Every applicant for a license pursuant to the provisions of this chapter must file with the Board a written application accompanied by a nonrefundable fee of \$100 for each examination that the applicant wishes to take. The written application must be in accordance with the following provisions:

1. If the applicant is a natural person, the application must be signed and verified by him.

2. If the applicant is a firm or partnership, the application must be signed and verified by each natural person composing or intending to compose the firm or partnership.

3. If the applicant is a corporation:

(a) The application must be signed and verified by the president, the secretary and the treasurer thereof, and must specify:

(1) The name of the corporation.

(2) The date and place of its incorporation.

(3) The amount of the corporation's outstanding paid-up capital stock.

(4) Whether this stock was paid for in cash or property ~~and~~ and, if in property, the nature and description of the property.

(5) The name of the person or persons affiliated with the corporation who possess the qualifications required for a license under this chapter.

(b) The application must be accompanied by a certified copy of the corporation's certificate of incorporation together with a certification from the Secretary of State that the corporation is in good standing and, if the corporation is a foreign corporation, a certification from the Secretary of State that the corporation is qualified to do business in this State.

(c) The successor to every such officer or a director shall, before entering upon the discharge of his duties, sign and verify a like statement, approved in like manner as this chapter prescribes for an individual signatory to an application, and shall transmit the statement to the Board.

(d) In the event of the death, resignation or removal of such an officer or a director, notice of that fact must be given in writing to the Board within 10 days after the death, resignation or removal. The Board shall conduct such an investigation of the successor pursuant to NRS 648.100 as it deems necessary to verify the successor's qualifications.

4. If the applicant fails to pass the examination required by NRS 648.100, he must not be reexamined until he has paid another fee of \$100 to cover the cost of reexamination.

5. If the applicant is applying for a license as a dog handler, the application must be accompanied by an additional fee of ~~[\$100]~~



1 **\$150** to cover the costs of an examination in the field. If the
2 applicant fails to pass the examination or cancels the examination
3 within 48 hours before the time scheduled for it, he may not be
4 reexamined in the field until he has paid an additional fee of ~~[\$100.]~~
5 **\$150.**

6 ➡ The forms for applications, including the instructions, may be
7 obtained from the office of the Board. The Board shall, by
8 regulation, charge a fee to cover the cost of the preparation of the
9 forms and instructions.

10 **Sec. 7.** NRS 648.085 is hereby amended to read as follows:

11 648.085 1. A natural person who applies for the issuance or
12 renewal of a license or work card issued pursuant to this chapter
13 shall submit to the Board the statement prescribed by the Welfare
14 Division of the Department of Human Resources pursuant to NRS
15 425.520. The statement must be completed and signed by the
16 applicant.

17 2. The Board shall include the statement required pursuant to
18 subsection 1 in:

19 (a) The application or any other forms that must be submitted
20 for the issuance or renewal of the license or work card; or

21 (b) A separate form prescribed by the Board.

22 3. ~~[A]~~ **The Board shall not issue or renew a** license or work
23 card ~~[may not be issued or renewed by the Board]~~ pursuant to this
24 chapter if the applicant is a natural person who:

25 (a) Fails to submit the statement required pursuant to subsection
26 1; or

27 (b) Indicates on the statement submitted pursuant to subsection
28 1 that he is subject to a court order for the support of a child and is
29 not in compliance with the order or a plan approved by the district
30 attorney or other public agency enforcing the order for the
31 repayment of the amount owed pursuant to the order.

32 4. If an applicant indicates on the statement submitted pursuant
33 to subsection 1 that he is subject to a court order for the support of a
34 child and is not in compliance with the order or a plan approved by
35 the district attorney or other public agency enforcing the order for
36 the repayment of the amount owed pursuant to the order, the Board
37 shall advise the applicant to contact the district attorney or other
38 public agency enforcing the order to determine the actions that the
39 applicant may take to satisfy the arrearage.

40 **Sec. 8.** NRS 648.100 is hereby amended to read as follows:

41 648.100 1. The Board shall require an applicant to pass a
42 written examination for an initial license and may require an
43 applicant to pass an oral examination. Examinations must be given
44 at least four times a year.



2. The Board shall conduct such investigation of an applicant, including the directors and officers of a corporate applicant, as it considers necessary. An applicant ~~[shall]~~ **must** deposit with the Board at the time of making an initial application for any license a fee of ~~[\$750]~~ **\$1,500** for the first category of license and ~~[\$250]~~ **\$500** for each additional category of license for which application is made, which must be applied to the cost of conducting the investigation. An ~~individual applicant who is a resident of Nevada is liable for the entire cost of the investigation up to a maximum cost of \$1,500 for the first category of license and \$500 for each additional category of license for which application is made. A corporate applicant or an individual applicant who is not a resident of Nevada]~~ **applicant** is liable for the entire cost of the investigation. Each applicant must pay the entire fee for which he is liable before taking an examination.

3. The Board may refuse to grant a license if it determines that the applicant has:

(a) Committed any act which if committed by a licensee would be a ground for the suspension or revocation of a license under this chapter.

(b) Committed any act constituting dishonesty or fraud.

(c) Demonstrated untruthfulness or a lack of integrity.

(d) Been refused a license under this chapter or had a license revoked.

(e) Been an officer, director, partner or manager of any firm, partnership, association or corporation which has been refused a license under this chapter or whose license has been revoked.

(f) While unlicensed, performed any act for which a license is required by this chapter.

(g) Knowingly made any false statement in his application.

(h) Refused to provide any information required by the Board.

4. The Board shall provide the applicant with a copy of the report of the investigation within a reasonable time after it receives the completed report.

Sec. 9. NRS 648.110 is hereby amended to read as follows:

648.110 1. Before the Board grants any license, the applicant, including each director and officer of a corporate applicant, must:

(a) Be at least 21 years of age.

(b) Be a citizen of the United States or lawfully entitled to remain and work in the United States.

(c) Be of good moral character and temperate habits.

(d) Have no conviction of:

(1) A felony relating to the practice for which the applicant wishes to be licensed; or



1 (2) Any crime involving moral turpitude or the illegal use or
2 possession of a dangerous weapon.

3 2. Each applicant, or the qualifying agent of a corporate
4 applicant, must:

5 (a) If an applicant for a private investigator's license, have at
6 least 5 years' experience as an investigator, or the equivalent
7 thereof, as determined by the Board.

8 (b) If an applicant for a reposessor's license, have at least 5
9 years' experience as a reposessor, or the equivalent thereof, as
10 determined by the Board.

11 (c) If an applicant for a private patrolman's license, have at least
12 5 years' experience as a private patrolman, or the equivalent thereof,
13 as determined by the Board.

14 (d) If an applicant for a process server's license, have at least 2
15 years' experience as a process server, or the equivalent thereof, as
16 determined by the Board.

17 (e) If an applicant for a dog handler's license, demonstrate to the
18 satisfaction of the Board his ability to handle, supply and train
19 watchdogs.

20 (f) If an applicant for a license as an intern, have:

21 (1) Received:

22 (I) A baccalaureate degree from an accredited college or
23 university and have at least 1 year's experience in investigation or
24 polygraphic examination satisfactory to the Board;

25 (II) An associate degree from an accredited college or
26 university and have at least 3 years' experience; or

27 (III) A high school diploma or its equivalent and have at
28 least 5 years' experience; and

29 (2) Satisfactorily completed a basic course of instruction in
30 polygraphic techniques satisfactory to the Board.

31 (g) If an applicant for a license as a polygraphic examiner:

32 (1) Meet the requirements contained in paragraph (f);

33 (2) Have actively conducted polygraphic examinations for at
34 least 2 years;

35 (3) Have completed successfully at least 250 polygraphic
36 examinations, including at least 100 examinations concerning
37 specific inquiries as distinguished from general examinations for the
38 purpose of screening;

39 (4) Have completed successfully at least 50 polygraphic
40 examinations, including 10 examinations concerning specific
41 inquiries, during the 12 months immediately before the date of his
42 application; and

43 (5) Have completed successfully at least 24 hours of
44 advanced polygraphic training acceptable to the Board during the 2
45 years immediately before the date of his application.



(h) Meet other requirements as determined by the Board.

3. The Board, when satisfied from recommendations and investigation that the applicant is of good character, competency and integrity, may issue and deliver a license to the applicant entitling him to conduct the business for which he is licensed, for the period which ends on July 1 next following the date of issuance.

4. For the purposes of this section ~~[, 4]~~:

(a) *One* year of experience consists of 2,000 hours of experience.

(b) *Not more than 2,000 hours of experience may be accrued in any consecutive 12-month period.*

(c) *Only experience gained within the 20 years immediately preceding the date of application will be considered.*

(d) *The following activities are not acts of investigation for purposes of experience toward licensure as a private investigator:*

(1) *The serving of legal process or other documents;*

(2) *The search for heirs or similar searches which involve only a search of public records or other reference sources in the public domain;*

(3) *The transportation or custodial attendance of persons in the physical custody of a law enforcement agency;*

(4) *The provision of bailiff or other security services to a court of law;*

(5) *The collection or attempted collection of debts by telephone or written solicitation after the debtor has been located; or*

(6) *The repossession or attempted repossession of personal property after that property has been located and identified.*

(e) *If the activities of employment of an applicant include activities which qualify as bona fide experience as well as activities which do not qualify as bona fide experience, the Board may determine and apportion that percentage of bona fide experience for which the applicant is entitled to credit.*

Sec. 10. NRS 648.120 is hereby amended to read as follows:

648.120 1. ~~[A license issued]~~ *The Board shall not issue or renew a license* pursuant to this chapter ~~[may not be issued or renewed]~~ until the applicant or licensee ~~[pays]~~ *has paid* to the Board a license fee prescribed by the Board in an amount not exceeding ~~[\$500]~~ *\$750* for each category of license being issued or renewed.

2. ~~[A]~~ *The Board shall not renew a* license held in abeyance ~~[may not be renewed]~~ until the licensee ~~[pays]~~ *has paid* to the Board a license fee prescribed by the Board in an amount not exceeding ~~[\$100]~~ *\$350* for each category of license being renewed.



3. The license fee must be paid annually and is due on July 1. The Board may provide that the fee be reduced ratably for portions of the license period.

4. A license held in abeyance may be reinstated upon payment to the Board of ~~[\$100]~~ \$200 for each category of license and the annual license fee prescribed pursuant to subsection 1 for each category of license.

5. The Board shall prescribe by regulation the circumstances under which the Board will hold a license in abeyance.

Sec. 11. NRS 648.140 is hereby amended to read as follows:

648.140 1. Any license obtained pursuant to the provisions of this chapter gives the licensee or any bona fide employee of the licensee authority to engage in the type of business for which he is licensed in any county or city in the State of Nevada. A county or city shall not enact ordinances regulating persons licensed pursuant to this chapter, except:

(a) Ordinances regulating the employer-employee relationship of licensees and their unlicensed employees; and

(b) General business regulations designed to raise revenue or ~~[assure]~~ ensure compliance with building codes and ordinances or regulations concerning zoning and safety from fire.

2. Except for polygraphic examiners and interns, a licensee may employ, in connection with his business, as many unlicensed persons as may be necessary, but at all times every licensee is accountable for the good conduct of every person employed by him in connection with his business. Each licensee shall furnish the Board with the information requested by it concerning all unlicensed employees, except clerical personnel, and shall notify the Board ~~[within 10 days after]~~ *not later than the last day of the calendar quarter in which* such employees begin or terminate their employment.

3. The Board ~~[may]~~ shall by regulation require that a licensee pay registration fees for each of his unlicensed employees, except clerical employees, and impose such terms and conditions in connection with those fees as it deems appropriate. The registration fee must not exceed ~~[\$10]~~ \$15 for each unlicensed employee.

4. Each licensee shall report quarterly on forms provided by the Board the name of each unlicensed employee employed by him at the time of the report and the name of each unlicensed employee who has left his employ since the date of the last quarterly report. The report required by this subsection is in addition to the ~~[reports]~~ *information* required by subsection 2.

Sec. 12. NRS 648.146 is hereby amended to read as follows:

648.146 If a licensee fails to renew his license within the time fixed by NRS 648.144, his license is automatically forfeited, but



1 may be reinstated within 30 days after the date of the forfeiture upon
2 his compliance with the regulations of the Board, his submission of
3 an application and payment of a reinstatement fee of ~~[\$100]~~ \$200
4 and, if the licensee is a natural person, his submission of the
5 statement required pursuant to NRS 648.085. Reinstatement of a
6 forfeited license does not prohibit the bringing of disciplinary
7 proceedings for any act committed during the period of forfeiture.

8 **Sec. 13.** NRS 648.146 is hereby amended to read as follows:

9 648.146 If a licensee fails to renew his license within the time
10 fixed by NRS 648.144, his license is automatically forfeited, but
11 may be reinstated within 30 days after the date of the forfeiture upon
12 his compliance with the regulations of the Board and upon his
13 application and payment of a reinstatement fee of ~~[\$100]~~ \$200.
14 Reinstatement of a forfeited license does not prohibit the bringing of
15 disciplinary proceedings for any act committed during the period of
16 forfeiture.

17 **Sec. 14.** NRS 648.149 is hereby amended to read as follows:

18 648.149 1. Each licensee shall file in writing with the Board
19 the address of each branch office and pay to the Board an annual fee
20 of ~~[\$50]~~ \$100 for each branch office registered. Within 10 days after
21 the establishment, closing or changing of location of a branch office,
22 a licensee shall notify the Board in writing of that fact.

23 2. Upon the application of a licensee and the prepayment of the
24 fee, the Board may issue a certificate for a branch office.

25 **Sec. 15.** NRS 648.150 is hereby amended to read as follows:

26 648.150 The Board ~~may~~ shall discipline any licensee for any
27 of the following causes:

28 1. Conviction of a felony relating to the practice of the licensee
29 or of any offense involving moral turpitude.

30 2. Violation of any of the provisions of this chapter or of a
31 regulation adopted pursuant thereto.

32 3. A false statement by the licensee that any person is or has
33 been in his employ.

34 4. Any unprofessional conduct or unfitness of the licensee or
35 any person in his employ.

36 5. Any false statement or the giving of any false information in
37 connection with an application for a license or a renewal or
38 reinstatement of a license.

39 6. Any act in the course of the licensee's business constituting
40 dishonesty or fraud.

41 7. Impersonation or aiding and abetting an employee in the
42 impersonation of a law enforcement officer or employee of the
43 United States of America, or of any state or political subdivision
44 thereof.



8. During the period between the expiration of a license for the failure to renew within the time fixed by this chapter and the reinstatement of the license, the commission of any act which would be a cause for the suspension or revocation of a license, or grounds for the denial of an application for a license.

9. Willful failure or refusal to render to a client services or a report as agreed between the parties and for which compensation has been paid or tendered in accordance with the agreement of the parties.

10. Commission of assault, battery or kidnapping.

11. Knowing violation of any court order or injunction in the course of business as a licensee.

12. Any act which is a ground for denial of an application for a license under this chapter.

13. Willfully aiding or abetting a person in a violation of a provision of this chapter or a regulation adopted pursuant thereto.

Sec. 16. NRS 648.162 is hereby amended to read as follows:

648.162 1. Each notice of violation must:

(a) Be in writing and describe with particularity the nature of the violation, including a reference to the section of this chapter or the provision of the standard, rule, regulation or order alleged to have been violated; and

(b) Inform the violator of his right to appeal the notice of violation.

2. The notice of violation may:

(a) Impose a fine not to exceed ~~[\$1,000;]~~ \$2,000;

(b) Allow a reasonable period for the abatement of the violation; or

(c) Contain an order for the payment of a reasonable sum to any injured party.

3. A notice of violation may, by a notice of appeal given in writing to the Board within 30 days after the date of the notice, be appealed as to the:

(a) Alleged violation;

(b) Amount of the fine;

(c) Reasonableness of any period for correction required by the notice of violation; or

(d) Procedural violations of the Board.

Sec. 17. NRS 648.165 is hereby amended to read as follows:

648.165 1. The Board ~~[may]~~ *shall* issue to a person who has violated NRS 648.060 a citation.

2. Such a citation must be in writing and describe with particularity the nature of the violation. The citation must also inform the person of the provisions of subsection 5. A separate citation must be issued for each such violation.



3. If appropriate, the citation must contain an order of abatement fixing a reasonable time for abatement of the violation.

4. The Board shall assess : ~~{an administrative fine of:}~~

(a) For the first such violation, ~~[\$2,500.]~~ *an administrative fine of not less than \$5,000 and not more than \$25,000.*

(b) For the second such violation, ~~[\$5,000.]~~ *an administrative fine of not less than \$10,000 and more than \$35,000.*

(c) For the third or subsequent such violation, ~~[\$10,000.]~~ *an administrative fine of not less than \$20,000 and not more than \$50,000.*

5. To appeal the finding of such a violation, the person must request a hearing by written notice of appeal to the Board within 30 days after the date of issuance of the citation.

Sec. 18. NRS 648.170 is hereby amended to read as follows:

648.170 1. The complaint referred to in NRS 648.160 must be a written statement of charges which must set forth in ordinary and concise language the acts or omissions with which the respondent is charged. It must specify the statute or regulation which the respondent is alleged to have violated, but must not consist merely of charges raised in the language of the statute or regulation.

2. Upon the filing of the complaint, the Board shall serve a copy of the complaint upon the respondent either personally, or by registered or certified mail at his address on file with the Board.

3. Except as *otherwise* provided in subsection 4, the respondent must answer within 20 days after the service of the complaint. In his answer, the respondent:

(a) Must state in short and plain terms his defenses to each claim asserted.

(b) Must admit or deny the facts alleged in the complaint.

(c) Must state which allegations he is without *sufficient* knowledge or information to form a belief as to their truth. Such allegations shall be deemed denied.

(d) Must affirmatively set forth any matter which constitutes an avoidance or affirmative defense.

(e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the right to a hearing and to judicial review of any decision or order of the Board, but the Board may order a hearing even if the respondent waives his right to a hearing.

4. Failure to answer or to appear at the hearing constitutes an admission by the respondent of all facts alleged in the complaint. The Board ~~{may}~~ *shall* take action based on such an admission and on other evidence without further notice to the respondent. If the Board takes action based on such an admission, it shall include in the record which evidence was the basis for the action.



5. The Board shall determine the time and place of the hearing as soon as reasonably practical after receiving the respondent's answer. The Board shall deliver or send by registered or certified mail a notice of hearing to all parties at least 10 days before the hearing.

6. The Board may delegate the authority to conduct one or more disciplinary hearings to a hearing officer. If it does so, the hearing officer shall, within 30 days after the date of a hearing, submit findings of fact and proposed conclusions of law and recommendations to the Board for its determination.

7. At the time and place fixed in the notice, the Board or the hearing officer shall proceed to hear the charges.

8. The Board or hearing officer may grant a continuance of a hearing upon a showing of good cause.

Sec. 19. NRS 648.175 is hereby amended to read as follows:

648.175 1. If, after a hearing, the Board finds that cause exists, the Board ~~may:~~ *shall do one or more of the following:*

(a) Revoke the license of the licensee.

(b) Suspend the license of the licensee for not more than 1 year for each violation.

(c) Fine the licensee not more than \$5,000 for each violation.

(d) Suspend an order authorized by this section upon such terms and conditions as the Board considers appropriate.

(e) Place the licensee on probation for not more than 2 years upon such terms and conditions as the Board considers appropriate.

(f) Publicly reprimand the licensee.

(g) Affirm, modify or vacate the penalty imposed by a notice of violation.

2. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.

Sec. 20. NRS 648.181 is hereby amended to read as follows:

648.181 1. The Board may apply to any court of competent jurisdiction to enjoin any person who has engaged or is about to engage in any act which violates any provision of this chapter or any regulation adopted by the Board.

2. Such an injunction:

(a) May be issued without proof of actual damage sustained by any person.

(b) Does not preclude criminal prosecution and punishment of a violator.

3. In addition to issuing the injunction, the court may impose a civil penalty not to exceed ~~[\$10,000]~~ *\$100,000 plus court costs* if the person has violated a provision of NRS 648.060.

Sec. 21. 1. This section and sections 1 to 12, inclusive, and 14 to 20, inclusive, of this act become effective on October 1, 2005.



1 2. The provisions of sections 7 and 12 of this act expire by
2 limitation on the date on which the provisions of 42 U.S.C. § 666
3 requiring each state to establish procedures under which the state
4 has authority to withhold or suspend, or to restrict the use of
5 professional, occupational and recreational licenses of persons who:

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

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

11 ➤ are repealed by the Congress of the United States.

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

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

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

22 ➤ are repealed by the Congress of the United States.



