

SENATE BILL NO. 352—COMMITTEE ON TAXATION

MARCH 25, 2005

Referred to Committee on Taxation

SUMMARY—Revises provisions governing taxes imposed on financial institutions. (BDR 32-25)

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

~

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

AN ACT relating to taxation; repealing the excise tax imposed on financial institutions that is based on wages paid to their employees; repealing the excise tax imposed on banks that is based on the number of branch offices maintained in this State; requiring financial institutions to pay the excise tax imposed on employers that is based on wages paid to their employees; 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.** NRS 360.300 is hereby amended to read as follows:  
2     360.300 1. If a person fails to file a return or the Department  
3 is not satisfied with the return or returns of any tax, contribution or  
4 premium or amount of tax, contribution or premium required to be  
5 paid to the State by any person, in accordance with the applicable  
6 provisions of this chapter, chapter 362, ~~363A,~~ 363B, 369, 370,  
7 372, 372A, 374, 377, 377A or 444A of NRS, NRS 482.313, or  
8 chapter 585 or 680B of NRS as administered or audited by the  
9 Department, it may compute and determine the amount required to  
10 be paid upon the basis of:  
11     (a) The facts contained in the return;  
12     (b) Any information within its possession or that may come into  
13 its possession; or  
14     (c) Reasonable estimates of the amount.



2. One or more deficiency determinations may be made with respect to the amount due for one or for more than one period.

3. In making its determination of the amount required to be paid, the Department shall impose interest on the amount of tax determined to be due, calculated at the rate and in the manner set forth in NRS 360.417, unless a different rate of interest is specifically provided by statute.

4. The Department shall impose a penalty of 10 percent in addition to the amount of a determination that is made in the case of the failure of a person to file a return with the Department.

5. When a business is discontinued, a determination may be made at any time thereafter within the time prescribed in NRS 360.355 as to liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.

**Sec. 2.** NRS 360.300 is hereby amended to read as follows:

360.300 1. If a person fails to file a return or the Department is not satisfied with the return or returns of any tax, contribution or premium or amount of tax, contribution or premium required to be paid to the State by any person, in accordance with the applicable provisions of this chapter, chapter 360B, 362, ~~363A,~~ 363B, 369, 370, 372, 372A, 374, 377, 377A or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS as administered or audited by the Department, it may compute and determine the amount required to be paid upon the basis of:

(a) The facts contained in the return;

(b) Any information within its possession or that may come into its possession; or

(c) Reasonable estimates of the amount.

2. One or more deficiency determinations may be made with respect to the amount due for one or for more than one period.

3. In making its determination of the amount required to be paid, the Department shall impose interest on the amount of tax determined to be due, calculated at the rate and in the manner set forth in NRS 360.417, unless a different rate of interest is specifically provided by statute.

4. The Department shall impose a penalty of 10 percent in addition to the amount of a determination that is made in the case of the failure of a person to file a return with the Department.

5. When a business is discontinued, a determination may be made at any time thereafter within the time prescribed in NRS 360.355 as to liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.



**Sec. 3.** NRS 360.417 is hereby amended to read as follows:

360.417 Except as otherwise provided in NRS 360.232 and 360.320, and unless a different penalty or rate of interest is specifically provided by statute, any person who fails to pay any tax provided for in chapter 362, ~~363A,~~ 363B, 369, 370, 372, 374, 377, 377A, 444A or 585 of NRS, or any fee provided for in NRS 482.313, to the State or a county within the time required, shall pay a penalty of not more than 10 percent of the amount of the tax or fee which is owed, as determined by the Department, in addition to the tax or fee, plus interest at the rate of 1 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment. The amount of any penalty imposed must be based on a graduated schedule adopted by the Nevada Tax Commission which takes into consideration the length of time the tax or fee remained unpaid.

**Sec. 4.** NRS 360.419 is hereby amended to read as follows:

360.419 1. If the Executive Director or a designated hearing officer finds that the failure of a person to make a timely return or payment of a tax imposed pursuant to NRS 361.320 or chapter 361A, 362, ~~363A,~~ 363B, 369, 370, 372, 372A, 374, 375A, 375B, 376A, 377 or 377A of NRS, is the result of circumstances beyond his control and occurred despite the exercise of ordinary care and without intent, the Department may relieve him of all or part of any interest or penalty, or both.

2. A person seeking this relief must file with the Department a statement under oath setting forth the facts upon which he bases his claim.

3. The Department shall disclose, upon the request of any person:

- (a) The name of the person to whom relief was granted; and
- (b) The amount of the relief.

4. The Executive Director or a designated hearing officer shall act upon the request of a taxpayer seeking relief pursuant to NRS 361.4835 which is deferred by a county treasurer or county assessor.

**Sec. 5.** NRS 360.510 is hereby amended to read as follows:

360.510 1. If any person is delinquent in the payment of any tax or fee administered by the Department or if a determination has been made against him which remains unpaid, the Department may:

(a) Not later than 3 years after the payment became delinquent or the determination became final; or

(b) Not later than 6 years after the last recording of an abstract of judgment or of a certificate constituting a lien for tax owed,

➤ give a notice of the delinquency and a demand to transmit personally or by registered or certified mail to any person,



1 including, without limitation, any officer or department of this State  
2 or any political subdivision or agency of this State, who has in his  
3 possession or under his control any credits or other personal  
4 property belonging to the delinquent, or owing any debts to the  
5 delinquent or person against whom a determination has been made  
6 which remains unpaid, or owing any debts to the delinquent or that  
7 person. In the case of any state officer, department or agency, the  
8 notice must be given to the officer, department or agency before  
9 the Department presents the claim of the delinquent taxpayer to the  
10 State Controller.

11 2. A state officer, department or agency which receives such a  
12 notice may satisfy any debt owed to it by that person before it  
13 honors the notice of the Department.

14 3. After receiving the demand to transmit, the person notified  
15 by the demand may not transfer or otherwise dispose of the credits,  
16 other personal property, or debts in his possession or under his  
17 control at the time he received the notice until the Department  
18 consents to a transfer or other disposition.

19 4. Every person notified by a demand to transmit shall, within  
20 10 days after receipt of the demand to transmit, inform the  
21 Department of and transmit to the Department all such credits, other  
22 personal property or debts in his possession, under his control or  
23 owing by him within the time and in the manner requested by the  
24 Department. Except as otherwise provided in subsection 5, no  
25 further notice is required to be served to that person.

26 5. If the property of the delinquent taxpayer consists of a series  
27 of payments owed to him, the person who owes or controls the  
28 payments shall transmit the payments to the Department until  
29 otherwise notified by the Department. If the debt of the delinquent  
30 taxpayer is not paid within 1 year after the Department issued the  
31 original demand to transmit, the Department shall issue another  
32 demand to transmit to the person responsible for making the  
33 payments informing him to continue to transmit payments to  
34 the Department or that his duty to transmit the payments to the  
35 Department has ceased.

36 6. If the notice of the delinquency seeks to prevent the transfer  
37 or other disposition of a deposit in a bank or credit union or other  
38 credits or personal property in the possession or under the control of  
39 a bank, credit union or other depository institution, the notice must  
40 be delivered or mailed to any branch or office of the bank, credit  
41 union or other depository institution at which the deposit is carried  
42 or at which the credits or personal property is held.

43 7. If any person notified by the notice of the delinquency  
44 makes any transfer or other disposition of the property or debts  
45 required to be withheld or transmitted, to the extent of the value of



1 the property or the amount of the debts thus transferred or paid, he is  
2 liable to the State for any indebtedness due pursuant to this chapter,  
3 or chapter 362, ~~[363A,]~~ 363B, 369, 370, 372, 372A, 374, 377, 377A  
4 or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS  
5 from the person with respect to whose obligation the notice was  
6 given if solely by reason of the transfer or other disposition the State  
7 is unable to recover the indebtedness of the person with respect to  
8 whose obligation the notice was given.

9 **Sec. 6.** NRS 360.510 is hereby amended to read as follows:

10 360.510 1. If any person is delinquent in the payment of any  
11 tax or fee administered by the Department or if a determination has  
12 been made against him which remains unpaid, the Department may:

13 (a) Not later than 3 years after the payment became delinquent  
14 or the determination became final; or

15 (b) Not later than 6 years after the last recording of an abstract  
16 of judgment or of a certificate constituting a lien for tax owed,

17 ➤ give a notice of the delinquency and a demand to transmit  
18 personally or by registered or certified mail to any person,  
19 including, without limitation, any officer or department of this State  
20 or any political subdivision or agency of this State, who has in his  
21 possession or under his control any credits or other personal  
22 property belonging to the delinquent, or owing any debts to the  
23 delinquent or person against whom a determination has been made  
24 which remains unpaid, or owing any debts to the delinquent or that  
25 person. In the case of any state officer, department or agency, the  
26 notice must be given to the officer, department or agency before  
27 the Department presents the claim of the delinquent taxpayer to the  
28 State Controller.

29 2. A state officer, department or agency which receives such a  
30 notice may satisfy any debt owed to it by that person before it  
31 honors the notice of the Department.

32 3. After receiving the demand to transmit, the person notified  
33 by the demand may not transfer or otherwise dispose of the credits,  
34 other personal property, or debts in his possession or under his  
35 control at the time he received the notice until the Department  
36 consents to a transfer or other disposition.

37 4. Every person notified by a demand to transmit shall, within  
38 10 days after receipt of the demand to transmit, inform the  
39 Department of and transmit to the Department all such credits, other  
40 personal property or debts in his possession, under his control or  
41 owing by him within the time and in the manner requested by the  
42 Department. Except as otherwise provided in subsection 5, no  
43 further notice is required to be served to that person.

44 5. If the property of the delinquent taxpayer consists of a series  
45 of payments owed to him, the person who owes or controls the



1 payments shall transmit the payments to the Department until  
2 otherwise notified by the Department. If the debt of the delinquent  
3 taxpayer is not paid within 1 year after the Department issued the  
4 original demand to transmit, the Department shall issue another  
5 demand to transmit to the person responsible for making the  
6 payments informing him to continue to transmit payments to  
7 the Department or that his duty to transmit the payments to the  
8 Department has ceased.

9 6. If the notice of the delinquency seeks to prevent the transfer  
10 or other disposition of a deposit in a bank or credit union or other  
11 credits or personal property in the possession or under the control of  
12 a bank, credit union or other depository institution, the notice must  
13 be delivered or mailed to any branch or office of the bank, credit  
14 union or other depository institution at which the deposit is carried  
15 or at which the credits or personal property is held.

16 7. If any person notified by the notice of the delinquency  
17 makes any transfer or other disposition of the property or debts  
18 required to be withheld or transmitted, to the extent of the value of  
19 the property or the amount of the debts thus transferred or paid, he is  
20 liable to the State for any indebtedness due pursuant to this chapter,  
21 or chapter 360B, 362, ~~[363A,]~~ 363B, 369, 370, 372, 372A, 374, 377,  
22 377A or 444A of NRS, NRS 482.313, or chapter 585 or 680B of  
23 NRS from the person with respect to whose obligation the notice  
24 was given if solely by reason of the transfer or other disposition the  
25 State is unable to recover the indebtedness of the person with  
26 respect to whose obligation the notice was given.

27 **Sec. 7.** NRS 363B.030 is hereby amended to read as follows:

28 363B.030 "Employer" means any employer who is required to  
29 pay a contribution pursuant to NRS 612.535 for any calendar  
30 quarter, except ~~[a financial institution,]~~ an Indian tribe, a nonprofit  
31 organization or a political subdivision. For the purposes of this  
32 section:

33 1. ~~["Financial institution" has the meaning ascribed to it in~~  
34 ~~NRS 363A.050.~~

35 ~~—2.]~~ "Indian tribe" includes any entity described in subsection  
36 10 of NRS 612.055.

37 ~~[3.]~~ 2. "Nonprofit organization" means a nonprofit religious,  
38 charitable, fraternal or other organization that qualifies as a tax-  
39 exempt organization pursuant to 26 U.S.C. § 501(c).

40 ~~[4.]~~ 3. "Political subdivision" means any entity described in  
41 subsection 9 of NRS 612.055.

42 **Sec. 8.** NRS 612.265 is hereby amended to read as follows:

43 612.265 1. Except as otherwise provided in this section,  
44 information obtained from any employing unit or person pursuant to  
45 the administration of this chapter and any determination as to the



benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or his legal representative is entitled to information from the records of the Division, to the extent necessary for the proper presentation of his claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the Division for any other purpose.

3. Subject to such restrictions as the Administrator may by regulation prescribe, the information obtained by the Division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; and

(e) The State Contractors' Board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

➔ Information obtained in connection with the administration of the Employment Service may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.

4. Upon written request made by a public officer of a local government, the Administrator shall furnish from the records of the Division the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. The information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The Administrator may charge a reasonable fee for the cost of providing the requested information.

5. The Administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer, if the information



1 released will assist unemployed persons to obtain employment or  
2 will be generally useful in developing and diversifying the economic  
3 interests of this State. Upon request by a state agency which is able  
4 to demonstrate that its intended use of the information will benefit  
5 the residents of this State, the Administrator may, in addition to the  
6 information listed in this subsection, disclose the number of  
7 employees employed by each employer and the total wages paid by  
8 each employer. The Administrator may charge a fee to cover the  
9 actual costs of any administrative expenses relating to the disclosure  
10 of this information to a state agency. The Administrator may require  
11 the state agency to certify in writing that the agency will take all  
12 actions necessary to maintain the confidentiality of the information  
13 and prevent its unauthorized disclosure.

14 6. Upon request therefor the Administrator shall furnish to any  
15 agency of the United States charged with the administration of  
16 public works or assistance through public employment, and may  
17 furnish to any state agency similarly charged, the name, address,  
18 ordinary occupation and employment status of each recipient of  
19 benefits and the recipient's rights to further benefits pursuant to this  
20 chapter.

21 7. To further a current criminal investigation, the chief  
22 executive officer of any law enforcement agency of this State may  
23 submit a written request to the Administrator that he furnish, from  
24 the records of the Division, the name, address and place of  
25 employment of any person listed in the records of employment of  
26 the Division. The request must set forth the social security number  
27 of the person about whom the request is made and contain a  
28 statement signed by the chief executive officer certifying that the  
29 request is made to further a criminal investigation currently being  
30 conducted by the agency. Upon receipt of such a request, the  
31 Administrator shall furnish the information requested. He may  
32 charge a fee to cover the actual costs of any related administrative  
33 expenses.

34 8. In addition to the provisions of subsection 5, the  
35 Administrator shall provide lists containing the names and addresses  
36 of employers, and information regarding the wages paid by each  
37 employer to the Department of Taxation, upon request, for use in  
38 verifying returns for the ~~{taxes}~~ tax imposed pursuant to ~~{chapters~~  
39 ~~363A and}~~ chapter 363B of NRS. The Administrator may charge a  
40 fee to cover the actual costs of any related administrative expenses.

41 9. A private carrier that provides industrial insurance in this  
42 State shall submit to the Administrator a list containing the name of  
43 each person who received benefits pursuant to chapters 616A to  
44 616D, inclusive, or 617 of NRS during the preceding month and  
45 request that he compare the information so provided with the





1 records of the Division regarding persons claiming benefits pursuant  
2 to chapter 612 of NRS for the same period. The information  
3 submitted by the private carrier must be in a form determined by the  
4 Administrator and must contain the social security number of each  
5 such person. Upon receipt of the request, the Administrator shall  
6 make such a comparison and, if it appears from the information  
7 submitted that a person is simultaneously claiming benefits under  
8 chapter 612 of NRS and under chapters 616A to 616D, inclusive, or  
9 617 of NRS, the Administrator shall notify the Attorney General or  
10 any other appropriate law enforcement agency. The Administrator  
11 shall charge a fee to cover the actual costs of any related  
12 administrative expenses.

13 10. The Administrator may request the Comptroller of the  
14 Currency of the United States to cause an examination of the  
15 correctness of any return or report of any national banking  
16 association rendered pursuant to the provisions of this chapter, and  
17 may in connection with the request transmit any such report or  
18 return to the Comptroller of the Currency of the United States as  
19 provided in Section 3305(c) of the Internal Revenue Code of 1954.

20 11. If any employee or member of the Board of Review, the  
21 Administrator or any employee of the Administrator, in violation of  
22 the provisions of this section, discloses information obtained from  
23 any employing unit or person in the administration of this chapter,  
24 or if any person who has obtained a list of applicants for work, or of  
25 claimants or recipients of benefits pursuant to this chapter uses or  
26 permits the use of the list for any political purpose, he is guilty of a  
27 gross misdemeanor.

28 12. All letters, reports or communications of any kind, oral or  
29 written, from the employer or employee to each other or to the  
30 Division or any of its agents, representatives or employees are  
31 privileged and must not be the subject matter or basis for any  
32 lawsuit if the letter, report or communication is written, sent,  
33 delivered or prepared pursuant to the requirements of this chapter.

34 **Sec. 9.** NRS 616B.012 is hereby amended to read as follows:

35 616B.012 1. Except as otherwise provided in this section and  
36 in NRS 616B.015, 616B.021 and 616C.205, information obtained  
37 from any insurer, employer or employee is confidential and may not  
38 be disclosed or be open to public inspection in any manner which  
39 would reveal the person's identity.

40 2. Any claimant or his legal representative is entitled to  
41 information from the records of the insurer, to the extent necessary  
42 for the proper presentation of a claim in any proceeding under  
43 chapters 616A to 616D, inclusive, or chapter 617 of NRS.

44 3. The Division and Administrator are entitled to information  
45 from the records of the insurer which is necessary for the



1 performance of their duties. The Administrator may, by regulation,  
2 prescribe the manner in which otherwise confidential information  
3 may be made available to:

4 (a) Any agency of this or any other state charged with the  
5 administration or enforcement of laws relating to industrial  
6 insurance, unemployment compensation, public assistance or labor  
7 law and industrial relations;

8 (b) Any state or local agency for the enforcement of child  
9 support;

10 (c) The Internal Revenue Service of the Department of the  
11 Treasury;

12 (d) The Department of Taxation; and

13 (e) The State Contractors' Board in the performance of its duties  
14 to enforce the provisions of chapter 624 of NRS.

15 ➔ Information obtained in connection with the administration of a  
16 program of industrial insurance may be made available to persons or  
17 agencies for purposes appropriate to the operation of a program of  
18 industrial insurance.

19 4. Upon written request made by a public officer of a local  
20 government, an insurer shall furnish from its records the name,  
21 address and place of employment of any person listed in its records.  
22 The request must set forth the social security number of the person  
23 about whom the request is made and contain a statement signed by  
24 proper authority of the local government certifying that the request  
25 is made to allow the proper authority to enforce a law to recover a  
26 debt or obligation owed to the local government. The information  
27 obtained by the local government is confidential and may not be  
28 used or disclosed for any purpose other than the collection of a debt  
29 or obligation owed to the local government. The insurer may charge  
30 a reasonable fee for the cost of providing the requested information.

31 5. To further a current criminal investigation, the chief  
32 executive officer of any law enforcement agency of this State may  
33 submit to the Administrator a written request for the name, address  
34 and place of employment of any person listed in the records of an  
35 insurer. The request must set forth the social security number of the  
36 person about whom the request is made and contain a statement  
37 signed by the chief executive officer certifying that the request is  
38 made to further a criminal investigation currently being conducted  
39 by the agency. Upon receipt of a request, the Administrator shall  
40 instruct the insurer to furnish the information requested. Upon  
41 receipt of such an instruction, the insurer shall furnish the  
42 information requested. The insurer may charge a reasonable fee to  
43 cover any related administrative expenses.

44 6. Upon request by the Department of Taxation, the  
45 Administrator shall provide:



1 (a) Lists containing the names and addresses of employers; and  
2 (b) Other information concerning employers collected and  
3 maintained by the Administrator or the Division to carry out the  
4 purposes of chapters 616A to 616D, inclusive, or chapter 617 of  
5 NRS,

6 ➔ to the Department for its use in verifying returns for the ~~taxes~~  
7 ~~tax~~ imposed pursuant to ~~chapters 363A and~~ ~~chapter~~ 363B of NRS.  
8 The Administrator may charge a reasonable fee to cover any related  
9 administrative expenses.

10 7. Any person who, in violation of this section, discloses  
11 information obtained from files of claimants or policyholders or  
12 obtains a list of claimants or policyholders under chapters 616A to  
13 616D, inclusive, or chapter 617 of NRS and uses or permits the use  
14 of the list for any political purposes, is guilty of a gross  
15 misdemeanor.

16 8. All letters, reports or communications of any kind, oral or  
17 written, from the insurer, or any of its agents, representatives or  
18 employees are privileged and must not be the subject matter or basis  
19 for any lawsuit if the letter, report or communication is written, sent,  
20 delivered or prepared pursuant to the requirements of chapters 616A  
21 to 616D, inclusive, or chapter 617 of NRS.

22 9. The provisions of this section do not prohibit the  
23 Administrator or the Division from disclosing any nonproprietary  
24 information relating to an uninsured employer or proof of industrial  
25 insurance.

26 **Sec. 10.** NRS 645B.060 is hereby amended to read as follows:

27 645B.060 1. Subject to the administrative control of the  
28 Director of the Department of Business and Industry, the  
29 Commissioner shall exercise general supervision and control over  
30 mortgage brokers and mortgage agents doing business in this State.

31 2. In addition to the other duties imposed upon him by law, the  
32 Commissioner shall:

33 (a) Adopt any regulations that are necessary to carry out the  
34 provisions of this chapter, except as to loan brokerage fees.

35 (b) Conduct such investigations as may be necessary to  
36 determine whether any person has violated any provision of this  
37 chapter, a regulation adopted pursuant to this chapter or an order of  
38 the Commissioner.

39 (c) Conduct an annual examination of each mortgage broker  
40 doing business in this State. The annual examination must include,  
41 without limitation, a formal exit review with the mortgage broker.  
42 The Commissioner shall adopt regulations prescribing:

43 (1) Standards for determining the rating of each mortgage  
44 broker based upon the results of the annual examination; and



(2) Procedures for resolving any objections made by the mortgage broker to the results of the annual examination. The results of the annual examination may not be opened to public inspection pursuant to NRS 645B.090 until any objections made by the mortgage broker have been decided by the Commissioner.

(d) Conduct such other examinations, periodic or special audits, investigations and hearings as may be necessary and proper for the efficient administration of the laws of this State regarding mortgage brokers and mortgage agents. The Commissioner shall adopt regulations specifying the general guidelines that will be followed when a periodic or special audit of a mortgage broker is conducted pursuant to this chapter.

(e) Classify as confidential certain records and information obtained by the Division when those matters are obtained from a governmental agency upon the express condition that they remain confidential. This paragraph does not limit examination by:

(1) The Legislative Auditor; or

(2) The Department of Taxation if necessary to carry out the provisions of chapter ~~363A~~ 363B of NRS.

(f) Conduct such examinations and investigations as are necessary to ensure that mortgage brokers and mortgage agents meet the requirements of this chapter for obtaining a license, both at the time of the application for a license and thereafter on a continuing basis.

3. For each special audit, investigation or examination, a mortgage broker or mortgage agent shall pay a fee based on the rate established pursuant to NRS 645F.280.

**Sec. 11.** NRS 645B.670 is hereby amended to read as follows:

645B.670 Except as otherwise provided in NRS 645B.690:

1. For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not he is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than \$10,000, if the applicant:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by him, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his application for a license or during the course of the investigation of his application for a license.

2. For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an



1 administrative fine of not more than \$10,000, may suspend, revoke  
2 or place conditions upon his license, or may do both, if the mortgage  
3 broker, whether or not acting as such:

4 (a) Is insolvent;

5 (b) Is grossly negligent or incompetent in performing any act for  
6 which he is required to be licensed pursuant to the provisions of this  
7 chapter;

8 (c) Does not conduct his business in accordance with law or has  
9 violated any provision of this chapter, a regulation adopted pursuant  
10 to this chapter or an order of the Commissioner;

11 (d) Is in such financial condition that he cannot continue in  
12 business with safety to his customers;

13 (e) Has made a material misrepresentation in connection with  
14 any transaction governed by this chapter;

15 (f) Has suppressed or withheld from a client any material facts,  
16 data or other information relating to any transaction governed by the  
17 provisions of this chapter which the mortgage broker knew or, by  
18 the exercise of reasonable diligence, should have known;

19 (g) Has knowingly made or caused to be made to the  
20 Commissioner any false representation of material fact or has  
21 suppressed or withheld from the Commissioner any information  
22 which the mortgage broker possesses and which, if submitted by  
23 him, would have rendered the mortgage broker ineligible to be  
24 licensed pursuant to the provisions of this chapter;

25 (h) Has failed to account to persons interested for all money  
26 received for a trust account;

27 (i) Has refused to permit an examination by the Commissioner  
28 of his books and affairs or has refused or failed, within a reasonable  
29 time, to furnish any information or make any report that may be  
30 required by the Commissioner pursuant to the provisions of this  
31 chapter or a regulation adopted pursuant to this chapter;

32 (j) Has been convicted of, or entered a plea of nolo contendere  
33 to, a felony relating to the practice of mortgage brokers or any crime  
34 involving fraud, misrepresentation or moral turpitude;

35 (k) Has refused or failed to pay, within a reasonable time, any  
36 fees, assessments, costs or expenses that the mortgage broker is  
37 required to pay pursuant to this chapter or a regulation adopted  
38 pursuant to this chapter;

39 (l) Has failed to satisfy a claim made by a client which has been  
40 reduced to judgment;

41 (m) Has failed to account for or to remit any money of a client  
42 within a reasonable time after a request for an accounting or  
43 remittal;



1 (n) Has commingled the money or other property of a client  
2 with his own or has converted the money or property of others to his  
3 own use;

4 (o) Has engaged in any other conduct constituting a deceitful,  
5 fraudulent or dishonest business practice;

6 (p) Has repeatedly violated the policies and procedures of the  
7 mortgage broker;

8 (q) Has failed to exercise reasonable supervision over the  
9 activities of a mortgage agent as required by NRS 645B.460;

10 (r) Has instructed a mortgage agent to commit an act that would  
11 be cause for the revocation of the license of the mortgage broker,  
12 whether or not the mortgage agent commits the act;

13 (s) Has employed a person as a mortgage agent or authorized a  
14 person to be associated with the mortgage broker as a mortgage  
15 agent at a time when the mortgage broker knew or, in light of all the  
16 surrounding facts and circumstances, reasonably should have known  
17 that the person:

18 (1) Had been convicted of, or entered a plea of nolo  
19 contendere to, a felony relating to the practice of mortgage agents or  
20 any crime involving fraud, misrepresentation or moral turpitude; or

21 (2) Had a financial services license or registration suspended  
22 or revoked within the immediately preceding 10 years;

23 (t) Has failed to pay a tax as required pursuant to the provisions  
24 of chapter ~~363A~~ 363B of NRS; or

25 (u) Has not conducted verifiable business as a mortgage broker  
26 for 12 consecutive months, except in the case of a new applicant.  
27 The Commissioner shall determine whether a mortgage broker is  
28 conducting business by examining the monthly reports of activity  
29 submitted by the mortgage broker or by conducting an examination  
30 of the mortgage broker.

31 3. For each violation committed by a mortgage agent, the  
32 Commissioner may impose upon the mortgage agent an  
33 administrative fine of not more than \$10,000, may suspend, revoke  
34 or place conditions upon his license, or may do both, if the mortgage  
35 agent, whether or not acting as such:

36 (a) Is grossly negligent or incompetent in performing any act for  
37 which he is required to be licensed pursuant to the provisions of this  
38 chapter;

39 (b) Has made a material misrepresentation in connection with  
40 any transaction governed by this chapter;

41 (c) Has suppressed or withheld from a client any material facts,  
42 data or other information relating to any transaction governed by the  
43 provisions of this chapter which the mortgage agent knew or, by the  
44 exercise of reasonable diligence, should have known;



(d) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage agent possesses and which, if submitted by him, would have rendered the mortgage agent ineligible to be licensed pursuant to the provisions of this chapter;

(e) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage agents or any crime involving fraud, misrepresentation or moral turpitude;

(f) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(g) Has commingled the money or other property of a client with his own or has converted the money or property of others to his own use;

(h) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(i) Has repeatedly violated the policies and procedures of the mortgage broker with whom he is associated or by whom he is employed; or

(j) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or has assisted or offered to assist another person to commit such a violation.

**Sec. 12.** NRS 645E.300 is hereby amended to read as follows:

645E.300 1. Subject to the administrative control of the Director of the Department of Business and Industry, the Commissioner shall exercise general supervision and control over mortgage bankers doing business in this State.

2. In addition to the other duties imposed upon him by law, the Commissioner shall:

(a) Adopt any regulations that are necessary to carry out the provisions of this chapter, except as to loan fees.

(b) Conduct such investigations as may be necessary to determine whether any person has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

(c) Conduct an annual examination of each mortgage banker doing business in this State.

(d) Conduct such other examinations, periodic or special audits, investigations and hearings as may be necessary and proper for the efficient administration of the laws of this State regarding mortgage bankers.

(e) Classify as confidential certain records and information obtained by the Division when those matters are obtained from a



1 governmental agency upon the express condition that they remain  
2 confidential. This paragraph does not limit examination by:

3 (1) The Legislative Auditor; or

4 (2) The Department of Taxation if necessary to carry out the  
5 provisions of chapter ~~363A~~ 363B of NRS.

6 (f) Conduct such examinations and investigations as are  
7 necessary to ensure that mortgage bankers meet the requirements of  
8 this chapter for obtaining a license, both at the time of the  
9 application for a license and thereafter on a continuing basis.

10 3. For each special audit, investigation or examination, a  
11 mortgage bankers shall pay a fee based on the rate established  
12 pursuant to NRS 645F.280.

13 **Sec. 13.** NRS 645E.670 is hereby amended to read as follows:

14 645E.670 1. For each violation committed by an applicant,  
15 whether or not he is issued a license, the Commissioner may impose  
16 upon the applicant an administrative fine of not more than \$10,000,  
17 if the applicant:

18 (a) Has knowingly made or caused to be made to the  
19 Commissioner any false representation of material fact;

20 (b) Has suppressed or withheld from the Commissioner any  
21 information which the applicant possesses and which, if submitted  
22 by him, would have rendered the applicant ineligible to be licensed  
23 pursuant to the provisions of this chapter; or

24 (c) Has violated any provision of this chapter, a regulation  
25 adopted pursuant to this chapter or an order of the Commissioner in  
26 completing and filing his application for a license or during the  
27 course of the investigation of his application for a license.

28 2. For each violation committed by a licensee, the  
29 Commissioner may impose upon the licensee an administrative fine  
30 of not more than \$10,000, may suspend, revoke or place conditions  
31 upon his license, or may do both, if the licensee, whether or not  
32 acting as such:

33 (a) Is insolvent;

34 (b) Is grossly negligent or incompetent in performing any act for  
35 which he is required to be licensed pursuant to the provisions of this  
36 chapter;

37 (c) Does not conduct his business in accordance with law or has  
38 violated any provision of this chapter, a regulation adopted pursuant  
39 to this chapter or an order of the Commissioner;

40 (d) Is in such financial condition that he cannot continue in  
41 business with safety to his customers;

42 (e) Has made a material misrepresentation in connection with  
43 any transaction governed by this chapter;

44 (f) Has suppressed or withheld from a client any material facts,  
45 data or other information relating to any transaction governed by the





1 provisions of this chapter which the licensee knew or, by the  
2 exercise of reasonable diligence, should have known;

3 (g) Has knowingly made or caused to be made to the  
4 Commissioner any false representation of material fact or has  
5 suppressed or withheld from the Commissioner any information  
6 which the licensee possesses and which, if submitted by him, would  
7 have rendered the licensee ineligible to be licensed pursuant to the  
8 provisions of this chapter;

9 (h) Has failed to account to persons interested for all money  
10 received for a trust account;

11 (i) Has refused to permit an examination by the Commissioner  
12 of his books and affairs or has refused or failed, within a reasonable  
13 time, to furnish any information or make any report that may be  
14 required by the Commissioner pursuant to the provisions of this  
15 chapter or a regulation adopted pursuant to this chapter;

16 (j) Has been convicted of, or entered a plea of nolo contendere  
17 to, a felony relating to the practice of mortgage bankers or any crime  
18 involving fraud, misrepresentation or moral turpitude;

19 (k) Has refused or failed to pay, within a reasonable time, any  
20 fees, assessments, costs or expenses that the licensee is required to  
21 pay pursuant to this chapter or a regulation adopted pursuant to this  
22 chapter;

23 (l) Has failed to pay a tax as required pursuant to the provisions  
24 of chapter ~~363A~~ 363B of NRS;

25 (m) Has failed to satisfy a claim made by a client which has  
26 been reduced to judgment;

27 (n) Has failed to account for or to remit any money of a client  
28 within a reasonable time after a request for an accounting or  
29 remittal;

30 (o) Has commingled the money or other property of a client  
31 with his own or has converted the money or property of others to his  
32 own use; or

33 (p) Has engaged in any other conduct constituting a deceitful,  
34 fraudulent or dishonest business practice.

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

37 **Sec. 14.** NRS 649.395 is hereby amended to read as follows:

38 649.395 1. The Commissioner may impose an administrative  
39 fine, not to exceed \$500 for each violation, or suspend or revoke the  
40 license of a collection agency, or both impose a fine and suspend or  
41 revoke the license, by an order made in writing and filed in his  
42 office and served on the licensee by registered or certified mail at  
43 the address shown in the records of the Commissioner, if:

44 (a) The licensee is adjudged liable in any court of law for breach  
45 of any bond given under the provisions of this chapter;



- 1 (b) After notice and hearing, the licensee is found guilty of:  
2 (1) Fraud or misrepresentation;  
3 (2) An act or omission inconsistent with the faithful  
4 discharge of his duties and obligations; or  
5 (3) A violation of any provision of this chapter; or  
6 (c) The Commissioner determines that the licensee has failed to  
7 pay a tax as required pursuant to the provisions of chapter ~~363A~~  
8 **363B** of NRS.  
9 2. The Commissioner may suspend or revoke the license of a  
10 collection agency without notice and hearing if:  
11 (a) The suspension or revocation is necessary for the immediate  
12 protection of the public; and  
13 (b) The licensee is afforded a hearing to contest the suspension  
14 or revocation within 20 days after the written order of suspension or  
15 revocation is served upon the licensee.  
16 3. Upon revocation of his license, all rights of the licensee  
17 under this chapter terminate, and no application may be received  
18 from any person whose license has once been revoked.  
19 4. An order that imposes discipline and the findings of fact and  
20 conclusions of law supporting that order are public records.  
21 **Sec. 15.** NRS 658.151 is hereby amended to read as follows:  
22 658.151 1. The Commissioner may forthwith take possession  
23 of the business and property of any depository institution to which  
24 this title or title 56 of NRS applies when it appears that the  
25 depository institution:  
26 (a) Has violated its charter or any laws applicable thereto.  
27 (b) Is conducting its business in an unauthorized or unsafe  
28 manner.  
29 (c) Is in an unsafe or unsound condition to transact its business.  
30 (d) Has an impairment of its stockholders' or members' equity.  
31 (e) Has refused to pay its depositors in accordance with the  
32 terms on which such deposits were received, or has refused to pay  
33 its holders of certificates of indebtedness or investment in  
34 accordance with the terms upon which those certificates of  
35 indebtedness or investment were sold.  
36 (f) Has become otherwise insolvent.  
37 (g) Has neglected or refused to comply with the terms of a  
38 lawful order of the Commissioner.  
39 (h) Has refused, upon proper demand, to submit its records,  
40 affairs and concerns for inspection and examination of an appointed  
41 or authorized examiner of the Commissioner.  
42 (i) Has made a voluntary assignment of its assets to trustees.  
43 (j) Has failed to pay a tax as required pursuant to the provisions  
44 of chapter ~~363A~~ **363B** of NRS.



2. The Commissioner also may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the officers of the depository institution have refused to be examined upon oath regarding its affairs.

**Sec. 16.** NRS 665.133 is hereby amended to read as follows:

665.133 1. The records and information described in NRS 665.130 may be disclosed to:

(a) An agency of the Federal Government or of another state which regulates the financial institution which is the subject of the records or information;

(b) The Director of the Department of Business and Industry for his confidential use;

(c) The State Board of Finance for its confidential use, if the report or other information is necessary for the State Board of Finance to perform its duties under this title;

(d) The Department of Taxation for its use in carrying out the provisions of chapter ~~363A~~ 363B of NRS;

(e) An entity which insures or guarantees deposits;

(f) A public officer authorized to investigate criminal charges in connection with the affairs of the depository institution;

(g) A person preparing a proposal for merging with or acquiring an institution or holding company, but only after notice of the disclosure has been given to the institution or holding company;

(h) Any person to whom the subject of the report has authorized the disclosure;

(i) Any other person if the Commissioner determines, after notice and opportunity for hearing, that disclosure is in the public interest and outweighs any potential harm to the depository institution and its stockholders, members, depositors and creditors; and

(j) Any court in a proceeding initiated by the Commissioner concerning the financial institution.

2. All the reports made available pursuant to this section remain the property of the Division of Financial Institutions, and no person, agency or authority to whom the reports are made available, or any officer, director or employee thereof, may disclose any of the reports or any information contained therein, except in published statistical material that does not disclose the affairs of any natural person or corporation.

**Sec. 17.** NRS 673.484 is hereby amended to read as follows:

673.484 The Commissioner may after notice and hearing suspend or revoke the charter of any association for:

1. Repeated failure to abide by the provisions of this chapter or the regulations adopted thereunder.



2. Failure to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS.

**Sec. 18.** NRS 675.440 is hereby amended to read as follows:

675.440 1. If the Commissioner has reason to believe that grounds for revocation or suspension of a license exist, he shall give 20 days' written notice to the licensee stating the contemplated action and, in general, the grounds therefor and set a date for a hearing.

2. At the conclusion of a hearing, the Commissioner shall:

(a) Enter a written order either dismissing the charges, revoking the license, or suspending the license for a period of not more than 60 days, which period must include any prior temporary suspension. A copy of the order must be sent by registered or certified mail to the licensee.

(b) Impose upon the licensee a fine of \$500 for each violation by the licensee of any provision of this chapter or any lawful regulation adopted under it.

(c) If a fine is imposed pursuant to this section, enter such order as is necessary to recover the costs of the proceeding, including his investigative costs and attorney's fees.

3. The grounds for revocation or suspension of a license are that:

(a) The licensee has failed to pay the annual license fee;

(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter or any lawful regulation adopted under it;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license hereunder; or

(e) The applicant failed to open an office for the conduct of the business authorized under this chapter within 120 days from the date the license was issued, or has failed to remain open for the conduct of the business for a period of 120 days without good cause therefor.

4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

**Sec. 19.** NRS 676.290 is hereby amended to read as follows:

676.290 1. The Commissioner may, pursuant to the procedure provided in this chapter, deny, suspend or revoke any license for which application has been made or which has been



1 issued under the provisions of this chapter if he finds, as to the  
2 licensee, its associates, directors or officers, grounds for action.

3 2. Any one of the following grounds may provide the requisite  
4 grounds for denial, suspension or revocation:

5 (a) Conviction of a felony relating to the practice of debt  
6 adjusters or of a misdemeanor involving moral turpitude.

7 (b) Violation of any of the provisions of this chapter or  
8 regulations of the Commissioner.

9 (c) Fraud or deceit in procuring the issuance of the license.

10 (d) Continuous course of unfair conduct.

11 (e) Insolvency, filing in bankruptcy, receivership or assigning  
12 for the benefit of creditors by any licensee or applicant for a license  
13 under this chapter.

14 (f) Failure to pay a tax as required pursuant to the provisions of  
15 chapter ~~363A~~ 363B of NRS.

16 (g) Failure to pay the fee for renewal or reinstatement of a  
17 license.

18 3. The Commissioner shall, after notice and hearing, impose  
19 upon the licensee a fine of \$500 for each violation by the licensee of  
20 any of the provisions of this chapter or regulations of the  
21 Commissioner. If a fine is imposed pursuant to this section, the  
22 costs of the proceeding, including investigative costs and attorney's  
23 fees, may be recovered by the Commissioner.

24 **Sec. 20.** NRS 677.510 is hereby amended to read as follows:

25 677.510 1. If the Commissioner has reason to believe that  
26 grounds for revocation or suspension of a license exist, he shall give  
27 20 days' written notice to the licensee stating the contemplated  
28 action and, in general, the grounds therefor and set a date for a  
29 hearing.

30 2. At the conclusion of a hearing, the Commissioner shall:

31 (a) Enter a written order either dismissing the charges, or  
32 revoking the license, or suspending the license for a period of not  
33 more than 60 days, which period must include any prior temporary  
34 suspension. A copy of the order must be sent by registered or  
35 certified mail to the licensee.

36 (b) Impose upon the licensee a fine of \$500 for each violation by  
37 the licensee of any provision of this chapter or any lawful regulation  
38 adopted pursuant thereto.

39 (c) If a fine is imposed pursuant to this section, enter such order  
40 as is necessary to recover the costs of the proceeding, including his  
41 investigative costs and attorney's fees.

42 3. The grounds for revocation or suspension of a license are  
43 that:

44 (a) The licensee has failed to pay the annual license fee;



(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter, or any lawful regulation adopted pursuant thereto;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license hereunder; or

(e) The applicant failed to open an office for the conduct of the business authorized under this chapter within 120 days from the date the license was issued, or has failed to remain open for the conduct of the business for a period of 120 days without good cause therefor.

4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

**Sec. 21.** NRS 687A.130 is hereby amended to read as follows:

687A.130 The Association is exempt from payment of all fees and all taxes levied by this State or any of its subdivisions, except taxes:

1. Levied on real or personal property; or

2. Imposed pursuant to the provisions of chapter ~~363A or~~ 363B of NRS.

**Sec. 22.** NRS 694C.450 is hereby amended to read as follows:

694C.450 1. Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at the rate of:

(a) Two-fifths of 1 percent on the first \$20,000,000 of its net direct premiums;

(b) One-fifth of 1 percent on the next \$20,000,000 of its net direct premiums; and

(c) Seventy-five thousandths of 1 percent on each additional dollar of its net direct premiums.

2. Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at a rate of:

(a) Two hundred twenty-five thousandths of 1 percent on the first \$20,000,000 of revenue from assumed reinsurance premiums;

(b) One hundred fifty thousandths of 1 percent on the next \$20,000,000 of revenue from assumed reinsurance premiums; and

(c) Twenty-five thousandths of 1 percent on each additional dollar of revenue from assumed reinsurance premiums.



1   ↪ The tax on reinsurance premiums pursuant to this subsection  
2 must not be levied on premiums for risks or portions of risks which  
3 are subject to taxation on a direct basis pursuant to subsection 1. A  
4 captive insurer is not required to pay any reinsurance premium tax  
5 pursuant to this subsection on revenue related to the receipt of assets  
6 by the captive insurer in exchange for the assumption of loss  
7 reserves and other liabilities of another insurer that is under  
8 common ownership and control with the captive insurer, if the  
9 transaction is part of a plan to discontinue the operation of the other  
10 insurer and the intent of the parties to the transaction is to renew or  
11 maintain such business with the captive insurer.

12   3. If the sum of the taxes to be paid by a captive insurer  
13 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any  
14 given year, the captive insurer shall pay a tax of \$5,000 for that  
15 year.

16   4. Two or more captive insurers under common ownership and  
17 control must be taxed as if they were a single captive insurer.

18   5. Notwithstanding any specific statute to the contrary and  
19 except as otherwise provided in this subsection, the tax provided for  
20 by this section constitutes all the taxes collectible pursuant to the  
21 laws of this State from a captive insurer, and no occupation tax or  
22 other taxes may be levied or collected from a captive insurer by this  
23 State or by any county, city or municipality within this State, except  
24 for taxes imposed pursuant to chapter ~~{363A-01}~~ 363B of NRS and  
25 ad valorem taxes on real or personal property located in this State  
26 used in the production of income by the captive insurer.

27   6. Ten percent of the revenues collected from the tax imposed  
28 pursuant to this section must be deposited with the State Treasurer  
29 for credit to the Account for the Regulation and Supervision of  
30 Captive Insurers created pursuant to NRS 694C.460. The remaining  
31 90 percent of the revenues collected must be deposited with the  
32 State Treasurer for credit to the State General Fund.

33   7. A captive insurer that is issued a license pursuant to this  
34 chapter after July 1, 2003, is entitled to receive a nonrefundable  
35 credit of \$5,000 applied against the aggregate taxes owed by the  
36 captive insurer for the first year in which the captive insurer incurs  
37 any liability for the payment of taxes pursuant to this section. A  
38 captive insurer is entitled to a nonrefundable credit pursuant to this  
39 section not more than once after the captive insurer is initially  
40 licensed pursuant to this chapter.

41   8. As used in this section, unless the context otherwise  
42 requires:

43   (a) "Common ownership and control" means:



(1) In the case of a stock insurer, the direct or indirect ownership of 80 percent or more of the outstanding voting stock of two or more corporations by the same member or members.

(2) In the case of a mutual insurer, the direct or indirect ownership of 80 percent or more of the surplus and the voting power of two or more corporations by the same member or members.

(b) "Net direct premiums" means the direct premiums collected or contracted for on policies or contracts of insurance written by a captive insurer during the preceding calendar year, less the amounts paid to policyholders as return premiums, including dividends on unabsorbed premiums or premium deposits returned or credited to policyholders.

**Sec. 23.** NRS 363A.010, 363A.020, 363A.030, 363A.040, 363A.050, 363A.060, 363A.070, 363A.080, 363A.090, 363A.100, 363A.110, 363A.120, 363A.130, 363A.140, 363A.150, 363A.160, 363A.170, 363A.180, 363A.190, 363A.200, 363A.210, 363A.220, 363A.230, 363A.240, 363A.250 and 363A.260 are hereby repealed.

**Sec. 24.** The provisions of this act do not:

1. Affect any rights, duties or liability of any person relating to any taxes imposed pursuant to chapter 363A of NRS for any period ending before July 1, 2005.

2. Apply to the administration, collection and enforcement of any taxes imposed pursuant to chapter 363A of NRS for any period ending before July 1, 2005.

**Sec. 25.** 1. This section and sections 1, 3, 4, 5 and 7 to 24, inclusive, of this act become effective:

(a) Upon passage and approval for the purposes of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2005, for all other purposes.

2. Sections 2 and 6 of this act become effective on January 1, 2006.

3. Sections 1 and 5 of this act expire by limitation on December 31, 2005.

---

## LEADLINES OF REPEALED SECTIONS

---

**363A.010** Definitions.

**363A.020** "Commission" defined.

**363A.030** "Employer" defined.

**363A.040** "Employment" defined.

**363A.050** "Financial institution" defined.





- 363A.060 “Taxpayer” defined.
- 363A.070 Duties of Department.
- 363A.080 Maintenance and availability of records of taxpayer; penalty.
- 363A.090 Examination of records by Department; payment of expenses of Department for examination of records outside State.
- 363A.100 Authority of Executive Director to request information to carry out chapter.
- 363A.110 Confidentiality of records and files of Department.
- 363A.120 Excise tax on banks: Imposition, amount and payment; filing of return.
- 363A.130 Payroll tax: Imposition, amount and payment; filing of return and report; deductions.
- 363A.140 Extension of time for payment; payment of interest during period of extension.
- 363A.150 Certification of excess amount collected; credit and refund.
- 363A.160 Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.
- 363A.170 Interest on overpayments; disallowance of interest.
- 363A.180 Injunction or other process to prevent collection of tax prohibited; filing of claim is condition precedent to maintaining action for refund.
- 363A.190 Action for refund: Period for commencement; venue; waiver.
- 363A.200 Rights of claimant upon failure of Department to mail notice of action on claim; allocation of judgment for claimant.
- 363A.210 Allowance of interest in judgment for amount illegally collected.
- 363A.220 Standing to recover.
- 363A.230 Action for recovery of erroneous refund: Jurisdiction; venue; prosecution.
- 363A.240 Cancellation of illegal determination.
- 363A.250 Prohibited acts; penalty.
- 363A.260 Remedies of State are cumulative.







