

ASSEMBLY BILL NO. 47—ASSEMBLYMAN SEGERBLOM

PREFILED FEBRUARY 1, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Revises circumstances under which an attorney is excluded from regulation as a collection agency. (BDR 54-792)

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

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

AN ACT relating to collection agencies; revising the circumstances under which attorneys licensed in this State are excluded from the definition of a collection agency; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Existing law exempts from the laws governing collection agencies any attorney
2 who is retained to collect payment for a client provided the attorney is retained in
3 the usual course of practice and any collecting performed by the attorney is
4 incidental to his usual course of practice. (NRS 649.020) This bill repeals the
5 requirement that collecting must be incidental to the usual course of practice of the
6 attorney.

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

1 **Section 1.** NRS 649.020 is hereby amended to read as follows:
2 649.020 1. "Collection agency" means all persons engaging,
3 directly or indirectly, and as a primary or a secondary object,
4 business or pursuit, in the collection of or in soliciting or obtaining
5 in any manner the payment of a claim owed or due or asserted to be
6 owed or due to another.
7 2. "Collection agency" does not include any of the following
8 unless they are conducting collection agencies:



(a) Individuals regularly employed on a regular wage or salary, in the capacity of credit men or in other similar capacity upon the staff of employees of any person not engaged in the business of a collection agency or making or attempting to make collections as an incident to the usual practices of their primary business or profession.

(b) Banks.

(c) Nonprofit cooperative associations.

(d) Unit-owners' associations and the board members, officers, employees and units' owners of those associations when acting under the authority of and in accordance with chapter 116 of NRS and the governing documents of the association, except for those community managers included within the term "collection agency" pursuant to subsection 3.

(e) Abstract companies doing an escrow business.

(f) Duly licensed real estate brokers, except for those real estate brokers who are community managers included within the term "collection agency" pursuant to subsection 3.

(g) Attorneys and counselors at law licensed to practice in this State, so long as they are retained by their clients to collect or to solicit or obtain payment of such clients' claims in the usual course of the practice of their profession. ~~and the collection, solicitation or obtainment is incidental to the usual course of the practice of their profession.~~

3. "Collection agency":

(a) Includes a community manager while engaged in the management of a common-interest community if the community manager, or any employee, agent or affiliate of the community manager, performs or offers to perform any act associated with the foreclosure of a lien pursuant to NRS 116.31162 to 116.31168, inclusive; and

(b) Does not include any other community manager while engaged in the management of a common-interest community.

4. As used in this section:

(a) "Community manager" has the meaning ascribed to it in NRS 116.023.

(b) "Unit-owners' association" has the meaning ascribed to it in NRS 116.011.

