

SENATE BILL NO. 159—COMMITTEE ON COMMERCE AND LABOR

FEBRUARY 26, 2007

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing collection agencies.
(BDR 54-541)

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; removing an exemption related to licensing for certain foreign collection agencies; limiting the activities of certain foreign collection agencies; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law exempts certain persons from obtaining a collection agency license in Nevada if certain conditions are met. (NRS 649.075) **Section 1** of this bill removes that exemption and requires all such persons to either register as a foreign collection agency or obtain a regular license.

Section 2 of this bill removes the requirement that a person must hold a license in another state in order to be registered as a foreign collection agency in Nevada. (NRS 649.171)

Existing law states that a registered foreign collection agency must annually submit proof that it will not solicit business in this State. (NRS 649.171) **Section 2** of this bill adds the requirement that such an agency also must submit annually proof that it will not respond to any bids, proposals or invitations for business in this State. **Section 2** also limits the activities of such an agency to collecting from residents of this State on behalf of residents of another state.



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

Section 1. NRS 649.075 is hereby amended to read as follows:

649.075 1. Except as otherwise provided in this section, a person shall not conduct within this State a collection agency or engage within this State in the business of collecting claims for others, or of soliciting the right to collect or receive payment for another of any claim, or advertise ~~H~~ or solicit, either in print, by letter, in person or otherwise, the right to collect or receive payment for another of any claim, or seek to make collection or obtain payment of any claim on behalf of another without having first applied for and obtained a license from the Commissioner.

2. ~~[A person is not required to obtain a license if:~~

~~—(a) The collection agency he works for is located outside of this State;~~

~~—(b) His activities in this State are limited to the collection of claims from residents of this State on behalf of residents of another state; and~~

~~—(c) His contact with persons in this State is limited to interstate communications by telephone, mail or facsimile.~~

~~3.]~~ A person is not required to obtain a license if the person holds a certificate of registration as a foreign collection agency issued by the Commissioner pursuant to NRS 649.171.

Sec. 2. NRS 649.171 is hereby amended to read as follows:

649.171 1. A person who is not licensed in this State as a collection agency may apply to the Commissioner for a certificate of registration as a foreign collection agency.

2. To be issued and to hold a certificate of registration as a foreign collection agency, a person:

(a) ~~[Must hold a license or permit to do business as a collection agency in another state;~~

~~—(b)]~~ Must meet the qualifications to do business as a collection agency in this State;

~~[(c)]~~ (b) Must not have any employees or agents present in this State who engage in the collection of claims and must not maintain any business locations in this State as a collection agency;

~~[(d)]~~ (c) Must submit proof to the Commissioner, upon application and upon each annual renewal of the ~~[certification]~~ **certificate** of registration, that the person and his employees and agents will not, in this State:

(1) Engage in the business of soliciting the right to collect or receive payment for another of any claim; ~~for]~~

(2) **Respond to a bid, proposal or invitation for the right to collect or receive payment for another of any claim; or**



(3) Advertise or solicit, either in print, by letter, in person or otherwise, the right to collect or receive payment for another of any claim;

~~(e)~~ (d) When collecting claims against debtors who are present in this State, must:

(1) Limit his activities and those of his employees and agents to interstate communications by telephone, mail or facsimile; ~~and~~

(2) *Limit his activities and those of his employees and agents to the collection of claims from residents of this State on behalf of residents of another state; and*

(3) Comply with the requirements of NRS 649.305 to 649.375, inclusive, with regard to his activities and those of his employees and agents;

~~(f)~~ (e) Must pay:

(1) A fee to apply for a certificate of registration of not less than \$200 and not more than \$600, prorated on the basis of the registration year as determined by the Commissioner; and

(2) An annual renewal fee of not more than \$200;

~~(g)~~ (f) Must deposit and maintain a bond or an appropriate substitute for the bond in the same manner as an applicant or licensee pursuant to NRS 649.105, 649.115 and 649.119;

~~(h)~~ (g) Must maintain his accounts, books and records in accordance with generally accepted accounting principles and in accordance with the requirements of subsection 1 of NRS 649.335; and

~~(i)~~ (h) Must pay any fees related to any examination of his accounts, books and records conducted by the Commissioner pursuant to subsection 3.

3. The Commissioner may conduct an annual examination and any additional examinations pursuant to NRS 649.335 of the accounts, books and records of each person who holds a certificate of registration as a foreign collection agency.

4. The Commissioner may take disciplinary action pursuant to NRS 649.385, 649.390 and 649.395 against a person who holds a certificate of registration as a foreign collection agency for any act or omission that would be grounds for taking such disciplinary action under those sections.

5. The Commissioner shall adopt:

(a) Regulations establishing the amount of the fees required pursuant to this section; and

(b) Any other regulations as may be necessary to carry out the provisions of this section.

Sec. 3. This act becomes effective on July 1, 2007.

