

SENATE BILL NO. 317—SENATOR CARE

MARCH 19, 2007

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions relating to agents for service of process. (BDR 7-445)

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: Yes.

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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 agents for service of process; providing in skeleton form for the certification and regulation of agents for service of process and for the elimination of the formation of new corporations sole; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

This bill provides in skeleton form for the certification and regulation of agents for service of process and for the elimination of the formation of new corporations sole.

This bill creates the State Board of Registered Agents and sets forth the Board's functions and duties. This bill also establishes provisions relating to the issuance, renewal, reinstatement, suspension or revocation of a certificate for commercial registered agency. This bill further establishes provisions relating to disciplinary proceedings against a registered agent. Finally, this bill makes it a misdemeanor to violate certain provisions relating to commercial registered agents.

This bill also prohibits the formation of a new corporation sole on or after July 1, 2007, and eliminates certain provisions relating to the formation and reinstatement of a corporation sole.

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

Section 1. NRS 78.035 is hereby amended to read as follows:
78.035 The articles of incorporation must set forth:



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1 1. The name of the corporation. A name appearing to be that of
2 a natural person and containing a given name or initials must not be
3 used as a corporate name except with an additional word or words
4 such as "Incorporated," "Limited," "Inc.," "Ltd.," "Company,"
5 "Co.," "Corporation," "Corp.," or other word which identifies it as
6 not being a natural person.

7 2. The name of the person designated as the corporation's
8 ~~resident~~ *registered* agent, the street address of the ~~resident~~
9 *registered* agent where process may be served upon the corporation,
10 ~~and~~ the mailing address of the ~~resident~~ *registered* agent if
11 different from the street address ~~[-]~~ *and, if the registered agent is a*
12 *commercial registered agent pursuant to sections 8 to 37,*
13 *inclusive, of this act, the certificate number described in section 26*
14 *of this act.*

15 3. The number of shares the corporation is authorized to issue
16 and, if more than one class or series of stock is authorized, the
17 classes, the series and the number of shares of each class or series
18 which the corporation is authorized to issue, unless the articles
19 authorize the board of directors to fix and determine in a resolution
20 the classes, series and numbers of each class or series as provided in
21 NRS 78.195 and 78.196.

22 4. The names and addresses, either residence or business, of
23 the first board of directors or trustees, together with any desired
24 provisions relative to the right to change the number of directors as
25 provided in NRS 78.115.

26 5. The name and address, either residence or business, of each
27 of the incorporators signing the articles of incorporation.

28 **Sec. 2.** NRS 78.045 is hereby amended to read as follows:

29 78.045 1. The Secretary of State shall not accept for filing
30 any articles of incorporation or any certificate of amendment of
31 articles of incorporation of any corporation formed pursuant to the
32 laws of this State which provides that the name of the corporation
33 contains the word "bank" or "trust," unless:

34 (a) It appears from the articles or the certificate of amendment
35 that the corporation proposes to carry on business as a banking or
36 trust company, exclusively or in connection with its business as a
37 bank, savings and loan association or thrift company; and

38 (b) The articles or certificate of amendment is first approved by
39 the Commissioner of Financial Institutions.

40 2. The Secretary of State shall not accept for filing any articles
41 of incorporation or any certificate of amendment of articles of
42 incorporation of any corporation formed pursuant to the provisions
43 of this chapter if it appears from the articles or the certificate of
44 amendment that the business to be carried on by the corporation is
45 subject to supervision by the Commissioner of Insurance or by the



1 Commissioner of Financial Institutions, unless the articles or
2 certificate of amendment is approved by the Commissioner who will
3 supervise the business of the corporation.

4 3. Except as otherwise provided in subsection ~~6.1~~ 7, the
5 Secretary of State shall not accept for filing any articles of
6 incorporation or any certificate of amendment of articles of
7 incorporation of any corporation formed pursuant to the laws of this
8 State if the name of the corporation contains the words "engineer,"
9 "engineered," "engineering," "professional engineer," "registered
10 engineer" or "licensed engineer" unless:

11 (a) The State Board of Professional Engineers and Land
12 Surveyors certifies that the principals of the corporation are licensed
13 to practice engineering pursuant to the laws of this State; or

14 (b) The State Board of Professional Engineers and Land
15 Surveyors certifies that the corporation is exempt from the
16 prohibitions of NRS 625.520.

17 4. The Secretary of State shall not accept for filing any articles
18 of incorporation or any certificate of amendment of articles of
19 incorporation of any corporation formed pursuant to the laws of this
20 State which provides that the name of the corporation contains the
21 word "accountant," "accounting," "accountancy," "auditor" or
22 "auditing" unless the Nevada State Board of Accountancy certifies
23 that the corporation:

24 (a) Is registered pursuant to the provisions of chapter 628 of
25 NRS; or

26 (b) Has filed with the Nevada State Board of Accountancy under
27 penalty of perjury a written statement that the corporation is not
28 engaged in the practice of accounting and is not offering to practice
29 accounting in this State.

30 5. The Secretary of State shall not accept for filing any articles
31 of incorporation or any certificate of amendment of articles of
32 incorporation of any corporation formed or existing pursuant to the
33 laws of this State which provides that the name of the corporation
34 contains the words "common-interest community," "community
35 association," "master association," "unit-owners' association" or
36 "homeowners' association" or if it appears in the articles of
37 incorporation or certificate of amendment that the purpose of the
38 corporation is to operate as a unit-owners' association pursuant to
39 chapter 116 of NRS unless the Administrator of the Real Estate
40 Division of the Department of Business and Industry certifies that
41 the corporation has:

42 (a) Registered with the Ombudsman for Owners in Common-
43 Interest Communities pursuant to NRS 116.31158; and

44 (b) Paid to the Administrator of the Real Estate Division the fees
45 required pursuant to NRS 116.31155.



6. *The Secretary of State shall not accept for filing any articles of incorporation or any certificate of amendment of articles of incorporation of any corporation formed pursuant to the laws of this State which provide that the name of the corporation contain the words "commercial registered agent" or the abbreviation "C.R.A." unless the State Board of Registered Agents certifies that the corporation is certified as a commercial registered agent pursuant to the provisions of sections 8 to 37, inclusive, of this act.*

7. The provisions of subsection 3 do not apply to any corporation, whose securities are publicly traded and regulated by the Securities Exchange Act of 1934, which does not engage in the practice of professional engineering.

~~[7-]~~ 8. The Commissioner of Financial Institutions and the Commissioner of Insurance may approve or disapprove the articles or amendments referred to them pursuant to the provisions of this section.

Sec. 3 NRS 78.090 is hereby amended to read as follows:

78.090 1. Except during any period of vacancy described in NRS 78.097, every corporation must have a ~~[resident]~~ *registered* agent who resides or is located in this State. Every ~~[resident]~~ *registered* agent must ~~[have-a]~~ :

(a) *Maintain a physical* street address for ~~[the]~~ *receiving* service of process, ~~[and]~~ *which is the registered office of the corporation in this State. If the registered agent is a commercial registered agent pursuant to sections 8 to 37, inclusive, of this act, the physical street address of the registered office must be in a location that is zoned for commercial use. The registered agent* may have a separate mailing address , such as a post office box, which may be different from the street address. ~~[The street address of the resident agent is the registered office of the corporation in this State.]~~

(b) *Maintain normal hours of operation in order to receive service of process.*

(c) *Designate a natural person to receive service of process.*

2. If the ~~[resident]~~ *registered* agent is a bank or corporation, it may:

(a) Act as the fiscal or transfer agent of any state, municipality, body politic or corporation and in that capacity may receive and disburse money.

(b) Transfer, register and countersign certificates of stock, bonds or other evidences of indebtedness and act as agent of any corporation, foreign or domestic, for any purpose required by statute, or otherwise.



(c) Act as trustee under any mortgage or bond issued by any municipality, body politic or corporation, and accept and execute any other municipal or corporate trust not inconsistent with the laws of this State.

(d) Receive and manage any sinking fund of any corporation, upon such terms as may be agreed upon between the corporation and those dealing with it.

3. Every corporation organized pursuant to this chapter which fails or refuses to comply with the requirements of this section is subject to a fine of not less than \$100 nor more than \$500, to be recovered with costs by the State, before any court of competent jurisdiction, by action at law prosecuted by the Attorney General or by the district attorney of the county in which the action or proceeding to recover the fine is prosecuted.

4. All legal process and any demand or notice authorized by law to be served upon a corporation may be served upon the ~~resident~~ *registered* agent of the corporation in the manner provided in subsection 2 of NRS 14.020. If any demand, notice or legal process, other than a summons and complaint, cannot be served upon the ~~resident~~ *registered* agent, it may be served in the manner provided in NRS 14.030. These manners and modes of service are in addition to any other service authorized by law.

Sec. 4. NRS 78.097 is hereby amended to read as follows:

78.097 1. A ~~resident~~ *registered* agent who desires to resign shall file with the Secretary of State a signed statement, on a form provided by the Secretary of State, for each artificial person formed, organized, registered or qualified pursuant to the provisions of this title that he is unwilling to continue to act as the ~~resident~~ *registered* agent of the artificial person for the service of process. The fee for filing a statement of resignation is \$100 for the first artificial person for whom the ~~resident~~ *registered* agent is unwilling to continue to act as the agent and \$1 for each additional artificial person listed on the statement of resignation. ~~[A]~~ *Except as otherwise provided in subsection 2*, resignation is not effective until the signed statement is filed with the Secretary of State.

2. *A notice from the State Board of Registered Agents of the suspension or revocation of the certificate of a commercial registered agent pursuant to section 30 of this act shall be deemed to be a signed statement of resignation for the registered agent named in the notice. The notice must be filed upon receipt by the Secretary of State.*

3. The statement of resignation may contain a statement of the affected corporation appointing a successor ~~resident~~ *registered* agent for that corporation. A certificate of acceptance signed by the new ~~resident~~ *registered* agent, stating the full name, complete



1 street address and, if different from the street address, mailing
2 address of the new ~~resident~~ *registered* agent, must accompany the
3 statement appointing a successor ~~resident~~ *registered* agent.

4 ~~[3.]~~ 4. Upon the filing of the statement of resignation with the
5 Secretary of State the capacity of the resigning person as ~~resident~~
6 *registered* agent terminates. If the statement of resignation contains
7 no statement by the corporation appointing a successor ~~resident~~
8 *registered* agent, the resigning ~~resident~~ *registered* agent shall
9 immediately give written notice, by mail, to the corporation of the
10 filing of the statement and its effect. The notice must be addressed
11 to any officer of the corporation other than the ~~resident~~ *registered*
12 agent.

13 ~~[4.]~~ 5. If a ~~resident~~ *registered* agent dies, resigns ~~or~~
14 ~~removes~~ , *moves* from the State, *or is a commercial registered*
15 *agent whose certificate has been suspended or revoked pursuant to*
16 *section 30 of this act*, the corporation, within 30 days thereafter,
17 shall file with the Secretary of State a certificate of acceptance
18 signed by the new ~~resident~~ *registered* agent. The certificate must
19 set forth the full name and complete street address of the new
20 ~~resident~~ *registered* agent for the service of process, and may have
21 a separate mailing address, such as a post office box, which may be
22 different from the street address.

23 ~~[5.]~~ 6. A corporation that fails to file a certificate of
24 acceptance signed by the new ~~resident~~ *registered* agent within 30
25 days after the death, resignation , ~~or~~ removal , *suspension or*
26 *revocation* of its former ~~resident~~ *registered* agent shall be deemed
27 in default and is subject to the provisions of NRS 78.170 and
28 78.175.

29 7. *If the new registered agent appointed pursuant to this*
30 *section is a commercial registered agent pursuant to sections 8 to*
31 *37, inclusive, of this act, the certificate of acceptance signed by the*
32 *new registered agent must include the certificate number*
33 *described in section 26 of this act.*

34 **Sec. 5.** NRS 78.105 is hereby amended to read as follows:

35 78.105 1. A corporation shall keep a copy of the following
36 records at its registered office:

37 (a) A copy certified by the Secretary of State of its articles of
38 incorporation, and all amendments thereto;

39 (b) A copy certified by an officer of the corporation of its
40 bylaws and all amendments thereto; and

41 (c) A stock ledger or a duplicate stock ledger, revised annually,
42 containing the names, alphabetically arranged, of all persons who
43 are stockholders of the corporation, showing their places of
44 residence, if known, and the number of shares held by them
45 respectively. In lieu of the stock ledger or duplicate stock ledger, the



1 corporation may keep a statement setting out the name of the
2 custodian of the stock ledger or duplicate stock ledger, and the
3 present and complete mailing or street address where the stock
4 ledger or duplicate stock ledger specified in this section is kept.

5 2. *A stock ledger, duplicate stock ledger or statement setting*
6 *out the name of the custodian of the stock ledger or duplicate*
7 *stock ledger described in paragraph (c) of subsection 1 must be*
8 *maintained by the new registered agent of the corporation for a*
9 *period of 3 years following the resignation or removal of the*
10 *registered agent or the dissolution of the corporation by the*
11 *Secretary of State.*

12 3. Any person who has been a stockholder of record of a
13 corporation for at least 6 months immediately preceding his
14 demand, or any person holding, or thereunto authorized in writing
15 by the holders of, at least 5 percent of all of its outstanding shares,
16 upon at least 5 days' written demand is entitled to inspect in person
17 or by agent or attorney, during usual business hours, the records
18 required by subsection 1 and make copies therefrom. Holders of
19 voting trust certificates representing shares of the corporation must
20 be regarded as stockholders for the purpose of this subsection. Every
21 corporation that neglects or refuses to keep the records required by
22 subsection 1 open for inspection, as required in this subsection, shall
23 forfeit to the State the sum of \$25 for every day of such neglect or
24 refusal.

25 ~~[3-]~~ 4. If any corporation willfully neglects or refuses to make
26 any proper entry in the stock ledger or duplicate copy thereof, or
27 neglects or refuses to permit an inspection of the records required by
28 subsection 1 upon demand by a person entitled to inspect them, or
29 refuses to permit copies to be made therefrom, as provided in
30 subsection ~~[2-]~~ 3, the corporation is liable to the person injured for
31 all damages resulting to him therefrom.

32 ~~[4-]~~ 5. When the corporation keeps a statement in the manner
33 provided for in paragraph (c) of subsection 1, the information
34 contained thereon must be given to any stockholder of the
35 corporation demanding the information, when the demand is made
36 during business hours. Every corporation that neglects or refuses to
37 keep a statement available, as in this subsection required, shall
38 forfeit to the State the sum of \$25 for every day of such neglect or
39 refusal.

40 ~~[5-]~~ 6. In every instance where an attorney or other agent of
41 the stockholder seeks the right of inspection, the demand must be
42 accompanied by a power of attorney signed by the stockholder
43 authorizing the attorney or other agent to inspect on behalf of the
44 stockholder.



~~[6-]~~ 7. The right to copy records under subsection ~~[2]~~ 3 includes, if reasonable, the right to make copies by photographic, xerographic or other means.

~~[7-]~~ 8. The corporation may impose a reasonable charge to recover the costs of labor and materials and the cost of copies of any records provided to the stockholder.

Sec. 6. Chapter 84 of NRS is hereby amended by adding thereto a new section to read as follows:

No new corporation sole may be formed in this State on or after July 1, 2007. A corporation sole formed pursuant to this chapter before July 1, 2007, may continue in existence until such corporation is dissolved or its charter is revoked. A corporation sole that has its charter revoked pursuant to NRS 81.140 may not be reinstated.

Sec. 7. Title 54 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth as sections 8 to 37, inclusive, of this act.

Sec. 8. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 9 to 12, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 9. *“Board” means the State Board of Registered Agents.*

Sec. 10. *“Certificate” means a certificate issued to a registered agent pursuant to this chapter.*

Sec. 11. *“Commercial registered agent” means a registered agent to whom a certificate has been issued pursuant to this chapter.*

Sec. 12. *“Registered agent” means the person appointed by a corporation, limited-liability company, partnership, business trust, political party, political action committee or recall committee upon whom process or a demand authorized by law to be served upon the corporation, limited-liability company, partnership, business trust, political party, political action committee or recall committee may be served.*

Sec. 13. *A certificate issued pursuant to the provisions of this chapter is a privilege that may be revoked in accordance with the disciplinary procedures set forth in this chapter and in regulations adopted by the Board pursuant thereto, and no holder of such a certificate acquires thereby any vested right.*

Sec. 14. *The provisions of this chapter do not apply to:*

1. A person who is currently a member in good standing of the State Bar of Nevada or a law firm whose partners, shareholders or members are members in good standing of the State Bar of Nevada.



2. A person who is certified or registered as a public accountant pursuant to chapter 628 of NRS who holds a live permit or an accounting firm whose partners, shareholders or members hold a live permit.

3. A person who does not charge any fee or other consideration for acting as a registered agent for any person.

4. The State of Nevada or a political subdivision thereof when appointed or designated by law as an agent for service of process.

Sec. 15. 1. The State Board of Registered Agents, consisting of five members appointed by the Governor, is hereby created.

2. The Board must consist of:

(a) One member who is a representative of the general public;

(b) One member who is employed by the Secretary of State as determined by the Secretary of State; and

(c) Three members who each hold a certificate and who have been actively engaged as a registered agent or an employee of a commercial registered agent within this State for at least 3 years immediately preceding their appointment.

3. A person appointed to the Board must be a citizen of the United States or lawfully entitled to remain and work in the United States.

Sec. 16. 1. After the initial terms, the member of the Board must be appointed to terms of 4 years.

2. Upon the expiration of his term, a member continues to serve on the Board until a qualified person has been appointed as his successor.

3. The Governor may, after notice and hearing, remove any member of the Board for misconduct, incompetence, neglect of duty or any other sufficient cause.

4. The Board shall:

(a) Elect annually from its members a Chairman and Vice Chairman. If the Chairman or Vice Chairman is replaced by another person appointed by the Governor, the Board shall elect from its members a replacement for the Chairman or Vice Chairman.

(b) Hold meetings as necessary for the purpose of transacting its business.

(c) Not incur any expenses that exceed the money received from time to time as fees provided by the provisions of this chapter.

(d) Prepare and maintain a record of its transactions and proceedings.

(e) Adopt a seal of which each court of this State shall take judicial notice.



1 5. A majority of the Board constitutes a quorum for the
2 transaction of business.

3 6. Notwithstanding any other provision of law, a member of
4 the Board:

5 (a) Is not disqualified from public employment or holding a
6 public office because of his membership on the Board; and

7 (b) Does not forfeit his public office or public employment
8 because of his membership on the Board.

9 **Sec. 17.** 1. Each member of the Board is entitled to receive
10 a per diem allowance and travel expenses at a rate fixed by the
11 Board, while engaged in the business of the Board. The rate must
12 not exceed the rate provided for state officers and employees
13 generally.

14 2. The expenses of the members and employees of the Board
15 and the expenses of the Board must be paid from the fees collected
16 pursuant to the provisions of this chapter, and the expenses must
17 not exceed the amount so collected.

18 3. All fees received by the Board must be deposited by the
19 Executive Secretary of the Board in banks, credit unions or
20 savings and loan associations in this State and must be paid out on
21 its order for its expenses.

22 **Sec. 18.** 1. Except as otherwise provided in subsection 2,
23 the meetings of the Board must be open and public.

24 2. The Board may hold a closed meeting to deliberate on the
25 decision to be reached in any contested hearing or disciplinary
26 action.

27 3. An order or decision of the Board resulting from a closed
28 meeting held pursuant to subsection 2 must be open to inspection
29 by the public.

30 **Sec. 19.** 1. Except as otherwise provided by law, the records
31 of the Board must be open to inspection by the public.

32 2. The Board shall, on or before December 1 of each year,
33 submit to the Governor a report of its transactions during the
34 preceding year.

35 **Sec. 20.** 1. The Board is vested with all the functions and
36 duties relating to the administration of this chapter.

37 2. The Board may employ, prescribe the duties of and fix the
38 salary of:

39 (a) An Executive Secretary who may be employed on a part-
40 time basis; and

41 (b) Other personnel necessary to carry out its duties.

42 3. The Board may appoint such committees as it considers
43 necessary.

44 4. The expenditures described in this section must be paid
45 from the fees collected pursuant to this chapter.



Sec. 21. 1. The Board shall:

(a) Charge and collect an application fee or renewal fee from an applicant for the issuance or renewal of a certificate.

(b) Impose and collect the other fees and fines in the manner set forth in this chapter.

(c) Adopt such regulations as are necessary to carry out the provisions of this chapter.

2. The Board or any member of the Board may:

(a) Administer oaths; and

(b) Certify to all official acts.

Sec. 22. A member of the Board or an employee or agent of the Board is not liable in a civil action for any act performed in good faith and within the scope and duties of the Board pursuant to the provisions of this chapter.

Sec. 23. The Board may assist in all matters pertaining to the advancement of the profession of registered agents in this State, including, without limitation, all matters that may advance the professional interests of commercial registered agents and such matters as concern their relations with the public.

Sec. 24. 1. Each applicant for a certificate must file an application with the Board containing:

(a) A statement that the applicant desires the issuance of a certificate pursuant to the provisions of this chapter;

(b) The street address or other physical location of the applicant's place of business;

(c) The street address or other physical location in this State for service of process on the applicant and, if different from the street address or other physical location, the mailing address;

(d) The names and physical and mailing addresses of any owners, partners, officers, directors, members and managerial personnel of the applicant;

(e) If the applicant is a natural person, the social security number of the applicant;

(f) If the applicant is a business entity, the employer identification number of the entity; and

(g) Any information requested by the Board to ascertain the background, experience, knowledge and qualifications of the applicant.

2. The application must be:

(a) Made on a form prescribed by the Board; and

(b) Accompanied by the fee required pursuant to section 28 of this act.

Sec. 25. 1. An applicant for the issuance, renewal or reinstatement of a certificate must submit to the Board the statement prescribed by the Division of Welfare and Supportive



1 *Services of the Department of Health and Human Services*
2 *pursuant to NRS 425.520. The statement must be completed and*
3 *signed by the applicant.*

4 2. *The Board shall include the statement required pursuant to*
5 *subsection 1 in:*

6 (a) *The application or any other forms that must be submitted*
7 *for the issuance or renewal of the certificate; or*

8 (b) *A separate form prescribed by the Board.*

9 3. *A certificate may not be issued or renewed by the Board if*
10 *the applicant:*

11 (a) *Fails to submit the statement required pursuant to*
12 *subsection 1; or*

13 (b) *Indicates on the statement submitted pursuant to*
14 *subsection 1 that he is subject to a court order for the support of a*
15 *child and is not in compliance with the order or a plan approved*
16 *by the district attorney or other public agency enforcing the order*
17 *for the repayment of the amount owed pursuant to the order.*

18 4. *If an applicant indicates on the statement submitted*
19 *pursuant to subsection 1 that he is subject to a court order for the*
20 *support of a child and is not in compliance with the order or a*
21 *plan approved by the district attorney or other public agency*
22 *enforcing the order for the repayment of the amount owed*
23 *pursuant to the order, the Board shall advise the applicant to*
24 *contact the district attorney or other public agency enforcing the*
25 *order to determine the actions that the applicant may take to*
26 *satisfy the arrearage.*

27 **Sec. 26.** 1. *The Board shall issue a certificate to an*
28 *applicant who is a natural person if he:*

29 (a) *Is a citizen of the United States or lawfully entitled to*
30 *remain and work in the United States;*

31 (b) *Is at least 18 years of age;*

32 (c) *Is of good moral character;*

33 (d) *Is competent to transact the business of a registered agent*
34 *in a manner that will safeguard the interests of the public;*

35 (e) *Maintains normal hours of operation from at least 8 a.m.*
36 *to 5 p.m., Monday through Friday, in order to receive service of*
37 *process;*

38 (f) *Pays the application fee required pursuant to section 28 of*
39 *this act; and*

40 (g) *Submits the statement required pursuant to section 25 of*
41 *this act.*

42 2. *If the applicant is a corporation, association or other*
43 *organization or entity other than a natural person, the Board shall*
44 *issue a certificate if the applicant:*



1 (a) *Is a business in good standing pursuant to the laws and*
2 *requirements of the state in which it is organized;*

3 (b) *Maintains a street address at an actual physical location in*
4 *this State at which the corporation, association or other*
5 *organization or entity is available for service of process in the*
6 *capacity of a registered agent;*

7 (c) *Maintains normal hours of operation from at least 8 a.m.*
8 *to 5 p.m., Monday through Friday, in order to receive service of*
9 *process; and*

10 (d) *Designates a natural person to receive service of process in*
11 *this State for the corporation, association or other organization or*
12 *entity.*

13 3. *A certificate must not be issued until the applicant has*
14 *satisfied the certification requirements and paid the fee required*
15 *pursuant to section 28 of this act.*

16 4. *Each certificate issued by the Board pursuant to this*
17 *section must be numbered.*

18 **Sec. 27.** 1. *An applicant for the renewal of a certificate*
19 *must:*

20 (a) *Apply to the Board for renewal on a form prescribed by the*
21 *Board;*

22 (b) *Pay the annual renewal fee required pursuant to section 28*
23 *of this act; and*

24 (c) *Submit to the Board the statement required pursuant to*
25 *section 25 of this act.*

26 2. *The Board shall suspend a certificate of a commercial*
27 *registered agent who fails to:*

28 (a) *Pay in advance the annual renewal fee required pursuant*
29 *to section 28 of this act; and*

30 (b) *Submit the statement required pursuant to section 25 of*
31 *this act.*

32 3. *A certificate that has been suspended pursuant to*
33 *subsection 2 must not be reinstated by the Board unless, within 2*
34 *years after the suspension:*

35 (a) *The annual renewal fee required pursuant to section 28 of*
36 *this act has been paid;*

37 (b) *The reinstatement fee set forth in section 28 of this act has*
38 *been paid; and*

39 (c) *The statement required pursuant to section 25 of this act*
40 *has been submitted.*

41 **Sec. 28.** *The Board shall, by regulation, adopt a fee schedule*
42 *that:*

43 1. *For the original application for a certificate, must be not*
44 *less than \$500 but not more than \$1,000.*



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2. For the renewal of a certificate, must be not less than \$500 but not more than \$1,000, which fee must be paid to the Board on or before May 15 of each year.

3. For the reinstatement of a certificate which has been suspended for failure to renew, must be an amount equal to all unpaid renewal fees that have accrued and a reinstatement fee of \$250.

4. For the reinstatement of a certificate which has been revoked, must be the fee prescribed for an original application for a certificate pursuant to subsection 1.

Sec. 29. 1. Each person to whom a valid existing certificate as a commercial registered agent has been issued pursuant to this chapter must be designated as a commercial registered agent. A commercial registered agent may, in connection with his business, use the abbreviation "C.R.A." and the designation "commercial registered agent."

2. Each holder of a certificate shall place the number of his certificate on all presentments to the public, including, without limitation:

- (a) Advertisements;
- (b) Solicitations;
- (c) Business cards;
- (d) Stationary; and
- (e) Listings in telephone directories.

Sec. 30. 1. The Board may refuse to issue or renew or may suspend or revoke any certificate or impose any fines on registered agents if an applicant or registered agent has:

(a) Obtained or sought to obtain a certificate for himself or any other person by means of fraud or misrepresentation;

(b) Been found in violation of laws or regulations governing the actions of registered agents in this State arising out of his conduct in performing or attempting to perform any act as a registered agent;

(c) Been convicted of a crime related to the qualifications, functions and responsibilities of a commercial registered agent; or

(d) Been convicted of a felony, gross misdemeanor or any offense involving moral turpitude within 10 years after the date of filing the application.

2. For purposes of subsection 1, the judgment of conviction or a certified copy of the judgment is conclusive evidence of conviction of an offense.

3. The Board may refuse to issue or renew or may suspend or revoke any certificate or impose a fine on a registered agent in the manner provided in this chapter if the registered agent, in



1 *performing, attempting to perform or pretending to perform any*
2 *act as a registered agent, has:*

3 *(a) Willfully failed to establish and maintain an office or a*
4 *physical address within this State;*

5 *(b) Willfully failed to accept such legal notice, demands or*
6 *process as may be required by law;*

7 *(c) Willfully failed to forward in a timely manner to a party*
8 *represented by the registered agent all legal notices, demands or*
9 *process as have been accepted by the registered agent;*

10 *(d) Demonstrated unworthiness or incompetence to act as a*
11 *registered agent in such manner as to safeguard the interests of*
12 *the public;*

13 *(e) Willfully violated any of the provisions of this chapter or*
14 *the regulations adopted by the Board to enforce this chapter;*

15 *(f) Engaged in unprofessional conduct;*

16 *(g) Acted as a registered agent during any period when his*
17 *certificate has been suspended or revoked by the Board; or*

18 *(h) Failed to provide information requested by the Board as*
19 *the result of a formal or informal complaint to the Board within a*
20 *reasonable time.*

21 *4. A holder of a certificate must notify the Chairman or*
22 *Executive Secretary of the Board in writing within 30 days after*
23 *changing his name, mailing address or physical address. The*
24 *Board may suspend or revoke a certificate or impose a fine if a*
25 *commercial registered agent fails to provide such notice to the*
26 *Board.*

27 **Sec. 31.** *1. If the Board receives a copy of a court order*
28 *issued pursuant to NRS 425.540 that provides for the suspension*
29 *of all professional, occupational and recreational licenses,*
30 *certificates and permits issued to a person who is the holder of a*
31 *certificate issued pursuant to this chapter, the Board shall deem*
32 *the certificate issued to that person to be suspended at the end of*
33 *the 30th day after the date on which the court order was issued*
34 *unless the Board received a letter issued to the holder of the*
35 *certificate by the district attorney or other public agency pursuant*
36 *to NRS 425.550 stating that the holder of the certificate has*
37 *complied with the subpoena or warrant or has satisfied the*
38 *arrearage pursuant to NRS 425.560.*

39 *2. The Board shall reinstate a certificate issued pursuant to*
40 *this chapter that has been suspended by a district court pursuant*
41 *to NRS 425.540 if the Board receives a letter issued by the district*
42 *attorney or other public agency pursuant to NRS 425.550 to the*
43 *person whose certificate was suspended stating that the person*
44 *whose certificate was suspended has complied with the subpoena*



1 or warrant or has satisfied the arrearage pursuant to
2 NRS 425.560.

3 **Sec. 32.** 1. The Board or any of its members who become
4 aware of any ground for initiating disciplinary action against a
5 registered agent shall, and any other person who is so aware may,
6 file a written complaint specifying the relevant facts with the
7 Board. The complaint must specifically charge one or more of the
8 grounds for initiating disciplinary action.

9 2. As soon as practicable after the filing of the complaint, the
10 Board shall set a date for a hearing on the matter. The date must
11 not be earlier than 30 days after the complaint is filed, except that
12 the date may be changed upon agreement of the parties. The
13 Board shall immediately notify the commercial registered agent of
14 the complaint and the date and place set for the hearing. A copy of
15 the complaint must be attached to the notice.

16 3. The failure of the commercial registered agent to appear at
17 the hearing does not delay or void the proceeding.

18 4. The Board may, for good cause, continue a hearing from
19 time to time.

20 5. If, after notice and a hearing, the Board determines that
21 the commercial registered agent has violated a provision of this
22 chapter or any regulation adopted pursuant thereto, it may:

23 (a) Administer a public or private reprimand;

24 (b) Suspend the certificate of the registered agent and impose
25 conditions for the removal of the suspension;

26 (c) Revoke the certificate of the registered agent and prescribe
27 the requirements for the reinstatement of the certificate;

28 (d) Impose a fine in an amount determined by the Board that
29 must not exceed:

30 (1) For a first violation of this chapter, \$1,000;

31 (2) For a second violation of this chapter, \$5,000; or

32 (3) For a third or subsequent violation of this chapter,
33 \$10,000;

34 (e) Require him to pay the costs of the Board for the
35 investigation and hearing; or

36 (f) Take any combination of the actions authorized by
37 paragraphs (a) to (e), inclusive.

38 6. If, after notice and a hearing, the Board suspends or
39 revokes the certificate of a commercial registered agent pursuant
40 to this section, it shall immediately notify the Secretary of State in
41 writing of the suspension or revocation.

42 7. At any time after the suspension or revocation of any
43 certificate, the Board may reinstate a suspended or revoked
44 certificate upon a unanimous vote by the Board.



1 8. *The Board shall deposit the money collected from the*
2 *imposition of fines with the State Treasurer for credit to the State*
3 *General Fund. If the money is so deposited, the Board may*
4 *present a claim to the State Board of Examiners for*
5 *recommendation to the Interim Finance Committee if money is*
6 *required to pay attorney's fees or the costs of an investigation, or*
7 *both.*

8 9. *An order of the Board suspending or revoking a certificate*
9 *or imposing a fine pursuant to this section is a final decision for*
10 *the purpose of judicial review.*

11 **Sec. 33.** 1. *The Board may, in any hearing before it, cause*
12 *the deposition of witnesses to be taken in the manner prescribed*
13 *for depositions in civil actions in this State.*

14 2. *Each witness who appears by an order of the Board is*
15 *entitled to receive for his attendance the same fees and mileage*
16 *allowed by law to a witness in a civil case.*

17 3. *Any district court, upon the application of the commercial*
18 *registered agent or complainant or of the Board, may, by order,*
19 *require the attendance of witnesses and the production of relevant*
20 *books and papers before the Board in any hearing concerning the*
21 *application for or denial, suspension or revocation of a certificate,*
22 *and the court may compel obedience to its order by proceedings*
23 *for contempt.*

24 4. *The Board, at its expense, shall provide a court reporter to*
25 *transcribe the testimony and preserve a record of all proceedings*
26 *involving the application for or denial, suspension or revocation of*
27 *a certificate. The notice of hearing, complaint and all other*
28 *documents in the nature of pleadings and written motions filed in*
29 *the proceedings, the transcript of testimony, the report of the*
30 *Board and its orders constitute the record of the proceedings. The*
31 *Board shall furnish a transcript of the record to any person*
32 *interested in the hearing upon payment of the statutory fees for*
33 *transcription provided in NRS 3.370.*

34 **Sec. 34.** 1. *Unless a person is certified by the Board*
35 *pursuant to this chapter, he shall not:*

36 (a) *Hold himself out to a member of the general public as a*
37 *commercial registered agent;*

38 (b) *Use the title "commercial registered agent" or use the*
39 *abbreviation "C.R.A." or any other similar designation, either*
40 *directly or indirectly, in connection with his profession or*
41 *business;*

42 (c) *Imply in any way that he is certified by the Board; or*

43 (d) *Accept a fee or any other consideration for serving as a*
44 *registered agent in this State, except in compliance with this*
45 *chapter.*



2. *If the Board believes that any person has violated or is about to violate the provisions of subsection 1, it may bring an action in a court of competent jurisdiction to enjoin that person from engaging in or continuing the violation. An injunction:*

(a) *May be issued without proof of actual damage sustained by any person; and*

(b) *Does not prevent the criminal prosecution and punishment of a person who violates the provisions of subsection 1.*

3. *In all proceedings pursuant to this section, the court may apportion the costs among the parties interested in the suit, including, without limitation, the costs of filing the complaint, service of process, witness fees and expenses, charges for a court reporter and reasonable attorney's fees.*

Sec. 35. *Except as otherwise provided in section 14 of this act, no person may engage in the profession of a registered agent in this State except a registered agent who holds a current and valid certificate issued by the Board pursuant to this chapter.*

Sec. 36. *No action or suit may be instituted, nor recovery therein be had, in any court of this State by any person for compensation for any act done or service rendered, the doing or rendering of which is prohibited pursuant to the provisions of this chapter.*

Sec. 37. *A person who violates any of the provisions of this chapter is guilty of a misdemeanor.*

Sec. 38. NRS 84.010, 84.020, 84.030 and 84.150 are hereby repealed.

LEADLINES OF REPEALED SECTIONS

84.010 Purpose.

84.020 Articles of incorporation: Authority to make and file.

84.030 Articles of incorporation: Required provisions.

84.150 Defaulting corporations: Conditions and procedure for reinstatement.

