

SENATE BILL NO. 483—COMMITTEE ON JUDICIARY

MARCH 26, 2007

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions relating to business. (BDR 7-868)

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 business; revising provisions relating to corporations; revising the provisions relating to the reinstatement, renewal or revival of certain business associations; revising provisions relating to limited-liability companies; revising the applicability of the Uniform Partnership Act (1997); revising provisions relating to professional corporations and associations; revising provisions relating to the exemption of certain property of judgment debtors from attachment or execution; requiring financing statements of a transmitting utility to be filed in the Office of the Secretary of State; revising provisions relating to a trustee's power of sale involving real property; making various other changes relating to business; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill expands a corporation's powers to include the specific renunciation of certain business opportunities. (NRS 78.070) **Section 2** of this bill clarifies existing law to specify that a board of directors may authorize a transaction by written consent even if the votes of common and interested directors are not counted and regardless of whether the members whose votes are not counted join or abstain from joining in such authorization. (NRS 78.140)

Existing law sets forth provisions relating to the reinstatement, renewal or revival of certain business associations. (NRS 78.180, 78.740, 80.170, 82.5237, 82.546, 84.150, 86.276, 86.5467, 86.580, 87.530, 87.5435, 88.410, 88.594, 88A.650, 88A.737, 89.256) **Sections 3, 10-14, 17, 21, 22, 28-33 and 44** of this bill provide that a reinstatement, renewal or revival of certain business associations relate back to the date of forfeiture.



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Section 5 of this bill prohibits a corporation from issuing stock certificates in bearer form. (NRS 78.235)

Existing law requires written consent to be signed by all members of a board or committee of a corporation before taking certain actions. (NRS 78.315) **Section 6** of this bill establishes provisions exempting certain directors from signing such written consent.

Existing law requires directors of every corporation to be elected by a plurality of votes cast at the annual stockholders' meeting. (NRS 78.330) **Section 8** of this bill allows the articles of incorporation or bylaws to require more than a plurality of the vote.

Section 15 of this bill establishes provisions allowing the dissolution of a limited-liability company before the commencement of any business. **Section 16** of this bill provides limitations on liability by providing that a limited-liability company is an entity distinct from its managers and members. (NRS 86.201)

Existing law establishes provisions relating to the operating agreement of a limited-liability company. (NRS 86.286) **Section 18** of this bill provides that an operating agreement adopted after the filing of the articles of incorporation or after the formation of the limited-liability company may be enforced against the limited-liability company whether or not it assents to the agreement.

Section 19 of this bill limits the liability of members and managers of a company by providing that the failure of a limited-liability company to observe certain formalities does not create liability for its members or managers. (NRS 86.371) **Section 20** of this bill expands the class of members which may bring an action on behalf of a limited-liability company to include noneconomic members. (NRS 86.483) **Section 26** of this bill revises the provisions concerning applicability of the Uniform Partnership Act (1997). (NRS 87.025, 87.4314) **Section 27** of this bill revises the filing requirements for a registered limited-liability partnership to exclude the filing of a statement of the professional service rendered by the partnership. (NRS 87.440) **Sections 34-43** of this bill revise the provisions relating to professional corporations and associations to reflect the inclusion of all professional entities and the formation of professional limited-liability companies. (NRS 89.020, 89.025, 89.030-89.110).

Existing law establishes the right of shareholders to dissent from corporate actions. (NRS 92A.380) **Section 45** of this bill prohibits a dissenting shareholder to vote his shares or to receive certain dividends or distributions after his dissent.

Existing law exempts certain property of a judgment debtor from attachment or execution. (NRS 21.075, 21.090, 31.045) **Sections 46-48** of this bill limit the exemption of payments received pursuant to the federal Social Security Act to such payments made for the individual support of the judgment debtor.

Existing law provides that a transmitting utility may file a financing statement in the Office of the Secretary of State or the county recorder of the appropriate county. (NRS 104.9501) **Section 49** of this bill no longer allows such financing statements to be filed in a county recorder's office.

Existing law sets forth certain requirements relating to a trustee's power of sale involving real property. (NRS 107.080) **Section 50** of this bill provides that, except under certain circumstances, for a sale to be declared void within 90 days after the date of the sale, an action must be commenced in the county where the sale took place and, within 30 days after commencing the action, notice of the action must be recorded in the office of the county recorder.



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

Section 1. NRS 78.070 is hereby amended to read as follows:

78.070 Subject to such limitations, if any, as may be contained in its articles of incorporation, every corporation has the following powers:

1. To borrow money and contract debts when necessary for the transaction of its business, or for the exercise of its corporate rights, privileges or franchises, or for any other lawful purpose of its incorporation and to issue bonds, promissory notes, bills of exchange, debentures, and other obligations and evidences of indebtedness, payable at a specified time or times, or payable upon the happening of a specified event or events, whether secured by mortgage, pledge or other security, or unsecured, for money borrowed, or in payment for property purchased or acquired, or for any other lawful object.

2. To guarantee, purchase, hold, take, obtain, receive, subscribe for, own, use, dispose of, sell, exchange, lease, lend, assign, mortgage, pledge, or otherwise acquire, transfer or deal in or with bonds or obligations of, or shares, securities or interests in or issued by, any person, government, governmental agency or political subdivision of government, and to exercise all the rights, powers and privileges of ownership of such an interest, including the right to vote, if any.

3. To purchase, hold, sell, pledge and transfer shares of its own stock, and use therefor its property or money.

4. To conduct business, have one or more offices, and hold, purchase, lease, mortgage, convey and take by devise or bequest real and personal property in this State, and in any of the several states, territories, possessions and dependencies of the United States, the District of Columbia, Puerto Rico and any foreign countries.

5. To do everything necessary and proper for the accomplishment of the objects enumerated in its articles of incorporation or necessary or incidental to the protection and benefit of the corporation, and, in general, to carry on any lawful business necessary or incidental to the attainment of the objects of the corporation, whether or not the business is similar in nature to the objects set forth in the articles of incorporation, except that:

(a) A corporation created under the provisions of this chapter does not possess the power of issuing bills, notes or other evidences of debt for circulation of money; and

(b) This chapter does not authorize the formation of banking corporations to issue or circulate money or currency within this



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1 State, or outside of this State, or at all, except the federal currency,
2 or the notes of banks authorized under the laws of the United States.

3 6. To make donations for the public welfare or for charitable,
4 scientific or educational purposes.

5 7. To enter into any relationship with another person in
6 connection with any lawful activities.

7 ***8. To renounce in its articles of incorporation or by action by***
8 ***the board of directors any interest or expectancy to participate in***
9 ***specified business opportunities or specified classes or categories***
10 ***of business opportunities that are presented to the corporation or***
11 ***one or more of its officers, directors or stockholders.***

12 **Sec. 2.** NRS 78.140 is hereby amended to read as follows:

13 78.140 1. A contract or other transaction is not void or
14 voidable solely because:

15 (a) The contract or transaction is between a corporation and:

16 (1) One or more of its directors or officers; or

17 (2) Another corporation, firm or association in which one or
18 more of its directors or officers are directors or officers or are
19 financially interested;

20 (b) A common or interested director or officer:

21 (1) Is present at the meeting of the board of directors or a
22 committee thereof which authorizes or approves the contract or
23 transaction; or

24 (2) Joins in the signing of a written consent which authorizes
25 or approves the contract or transaction pursuant to subsection 2 of
26 NRS 78.315; or

27 (c) The vote or votes of a common or interested director are
28 counted for the purpose of authorizing or approving the contract or
29 transaction,

30 ➤ if one of the circumstances specified in subsection 2 exists.

31 2. The circumstances in which a contract or other transaction is
32 not void or voidable pursuant to subsection 1 are:

33 (a) The fact of the common directorship, office or financial
34 interest is known to the board of directors or committee, and the
35 board or committee authorizes, approves or ratifies the contract or
36 transaction in good faith by a vote sufficient for the purpose without
37 counting the vote or votes of the common or interested director or
38 directors.

39 (b) The fact of the common directorship, office or financial
40 interest is known to the stockholders, and they approve or ratify the
41 contract or transaction in good faith by a majority vote of
42 stockholders holding a majority of the voting power. The votes of
43 the common or interested directors or officers must be counted in
44 any such vote of stockholders.



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(c) The fact of the common directorship, office or financial interest is not known to the director or officer at the time the transaction is brought before the board of directors of the corporation for action.

(d) The contract or transaction is fair as to the corporation at the time it is authorized or approved.

3. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies a contract or transaction, and if the votes of the common or interested directors are not counted at the meeting, then a majority of the disinterested directors may authorize, approve or ratify a contract or transaction.

4. *The fact that the vote or votes of the common or interested director or directors are not counted for purposes of subsection 2 does not prohibit any authorization, approval or ratification of a contract or transaction to be given by written consent pursuant to subsection 2 of NRS 78.315, regardless of whether the common or interested director signs such written consent or abstains in writing from providing consent.*

5. Unless otherwise provided in the articles of incorporation or the bylaws, the board of directors, without regard to personal interest, may establish the compensation of directors for services in any capacity. If the board of directors establishes the compensation of directors pursuant to this subsection, such compensation is presumed to be fair to the corporation unless proven unfair by a preponderance of the evidence.

Sec. 3. NRS 78.180 is hereby amended to read as follows:

78.180 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a corporation which has forfeited or which forfeits its right to transact business pursuant to the provisions of this chapter and shall restore to the corporation its right to carry on business in this State, and to exercise its corporate privileges and immunities, if it:

(a) Files with the Secretary of State:

- (1) The list required by NRS 78.150;
- (2) The statement required by NRS 78.153, if applicable; and
- (3) A certificate of acceptance of appointment signed by its

resident agent; and

(b) Pays to the Secretary of State:

- (1) The filing fee and penalty set forth in NRS 78.150 and 78.170 for each year or portion thereof during which it failed to file each required annual list in a timely manner;
- (2) The fee set forth in NRS 78.153, if applicable; and
- (3) A fee of \$300 for reinstatement.



2. When the Secretary of State reinstates the corporation, he shall issue to the corporation a certificate of reinstatement if the corporation:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to subsection 8 of NRS 78.785.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of the charter occurred only by reason of failure to pay the fees and penalties.

4. If a corporate charter has been revoked pursuant to the provisions of this chapter and has remained revoked for a period of 5 consecutive years, the charter must not be reinstated.

5. Except as otherwise provided in NRS 78.185, a reinstatement pursuant to this section relates back to the date on which the corporation forfeited its right to transact business under the provisions of this chapter and reinstates the corporation's right to transact business as if such right had at all times remained in full force and effect.

Sec. 4. NRS 78.185 is hereby amended to read as follows:

78.185 1. Except as otherwise provided in subsection 2, if a corporation applies to reinstate or revive its charter but its name has been legally reserved or acquired by another artificial person formed, organized, registered or qualified pursuant to the provisions of this title whose name is on file with the Office of the Secretary of State or reserved in the Office of the Secretary of State pursuant to the provisions of this title, the corporation shall in its application for reinstatement submit in writing to the Secretary of State some other name under which it desires its corporate existence to be reinstated or revived. If that name is distinguishable from all other names reserved or otherwise on file, the Secretary of State shall ~~reinstatement~~ *reinstate* the corporation under that new name. Upon the issuance of a certificate of reinstatement or revival under that new name, the articles of incorporation of the applying corporation shall be deemed to reflect the new name without the corporation having to comply with the provisions of NRS 78.385, 78.390 or 78.403.

2. If the applying corporation submits the written, acknowledged consent of the artificial person having a name, or the person who has reserved a name, which is not distinguishable from the old name of the applying corporation or a new name it has submitted, it may be reinstated or revived under that name.

3. For the purposes of this section, a proposed name is not distinguishable from a name on file or reserved name solely because



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1 one or the other contains distinctive lettering, a distinctive mark, a
2 trademark or a trade name, or any combination of these.

3 4. The Secretary of State may adopt regulations that interpret
4 the requirements of this section.

5 **Sec. 5.** NRS 78.235 is hereby amended to read as follows:

6 78.235 1. Except as otherwise provided in subsection 4,
7 every stockholder is entitled to have a certificate, signed by officers
8 or agents designated by the corporation for the purpose, certifying
9 the number of shares ~~owned by him~~ in the corporation ~~[-] owned~~
10 *by the stockholder. A corporation has no power to issue a*
11 *certificate in bearer form, and any such certificate that is issued is*
12 *void and of no force or effect.*

13 2. Whenever any certificate is countersigned or otherwise
14 authenticated by a transfer agent or transfer clerk, and by a registrar,
15 then a facsimile of the signatures of the officers or agents, the
16 transfer agent or transfer clerk or the registrar of the corporation
17 may be printed or lithographed upon the certificate in lieu of the
18 actual signatures. If a corporation uses facsimile signatures of its
19 officers and agents on its stock certificates, it cannot act as registrar
20 of its own stock, but its transfer agent and registrar may be identical
21 if the institution acting in those dual capacities countersigns or
22 otherwise authenticates any stock certificates in both capacities.

23 3. If any officer or officers who have signed, or whose
24 facsimile signature or signatures have been used on, any certificate
25 or certificates for stock cease to be an officer or officers of the
26 corporation, whether because of death, resignation or other reason,
27 before the certificate or certificates have been delivered by the
28 corporation, the certificate or certificates may nevertheless be
29 adopted by the corporation and be issued and delivered as though
30 the person or persons who signed the certificate or certificates, or
31 whose facsimile signature or signatures have been used thereon, had
32 not ceased to be an officer or officers of the corporation.

33 4. Unless otherwise provided in the articles of incorporation or
34 bylaws, the board of directors may authorize the issuance of
35 uncertificated shares of some or all of the shares of any or all of its
36 classes or series. The issuance of uncertificated shares has no effect
37 on existing certificates for shares until surrendered to the
38 corporation, or on the respective rights and obligations of the
39 stockholders. Unless otherwise provided by a specific statute,
40 the rights and obligations of stockholders are identical whether or
41 not their shares of stock are represented by certificates.

42 5. Within a reasonable time after the issuance or transfer of
43 shares without certificates, the corporation shall send the
44 stockholder a written statement containing the information required
45 on the certificates pursuant to subsection 1. At least annually



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thereafter, the corporation shall provide to its stockholders of record, a written statement confirming the information contained in the informational statement previously sent pursuant to this subsection.

6. Unless otherwise provided in the articles of incorporation or bylaws, a corporation may issue a new certificate of stock or, if authorized by the board of directors pursuant to subsection 4, uncertificated shares in place of a certificate previously issued by it and alleged to have been lost, stolen or destroyed. A corporation may require an owner or legal representative of an owner of a lost, stolen or destroyed certificate to give the corporation a bond or other security sufficient to indemnify it against any claim that may be made against it for the alleged loss, theft or destruction of a certificate, or the issuance of a new certificate or uncertificated shares.

Sec. 6. NRS 78.315 is hereby amended to read as follows:

78.315 1. Unless the articles of incorporation or the bylaws provide for a greater or lesser proportion, a majority of the board of directors of the corporation then in office, at a meeting duly assembled, is necessary to constitute a quorum for the transaction of business, and the act of directors holding a majority of the voting power of the directors, present at a meeting at which a quorum is present, is the act of the board of directors.

2. Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at a meeting of the board of directors or of a committee thereof may be taken without a meeting if, before or after the action, a written consent thereto is signed by all the members of the board or of the committee ~~it~~, *except that such written consent is not required to be signed by:*

(a) A common or interested director who abstains in writing from providing consent to the action. If a common or interested director abstains in writing from providing consent:

(1) The fact of the common directorship, office or financial interest must be known to the board of directors or committee before a written consent is signed by all the members of the board of the committee.

(2) Such fact must be described in the written consent.

(3) The board of directors or committee must approve, authorize or ratify the action in good faith by unanimous consent without counting the abstention of the common or interested director.

(b) A director who is a party to an action, suit or proceeding who abstains in writing from providing consent to the action of the board of directors or committee. If a director who is a party to an action, suit or proceeding abstains in writing from providing



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1 *consent on the basis that he is a party to an action, suit or*
2 *proceeding, the board of directors or committee must:*

3 *(1) Make a determination pursuant to NRS 78.751 that*
4 *indemnification of the director is proper under the circumstances.*

5 *(2) Approve, authorize or ratify the action of the board of*
6 *directors or committee in good faith by unanimous consent*
7 *without counting the abstention of the director who is a party to an*
8 *action, suit or proceeding.*

9 3. Unless otherwise restricted by the articles of incorporation
10 or bylaws, members of the board of directors or the governing body
11 of any corporation, or of any committee designated by such board or
12 body, may participate in a meeting of the board, body or committee
13 by means of a telephone conference or similar methods of
14 communication by which all persons participating in the meeting
15 can hear each other. Participation in a meeting pursuant to this
16 subsection constitutes presence in person at the meeting.

17 **Sec. 7.** NRS 78.320 is hereby amended to read as follows:

18 78.320 1. Unless this chapter, the articles of incorporation or
19 the bylaws provide for different proportions:

20 (a) A majority of the voting power, which includes the voting
21 power that is present in person or by proxy, regardless of whether
22 the proxy has authority to vote on all matters, constitutes a quorum
23 for the transaction of business; and

24 (b) Action by the stockholders on a matter other than the
25 election of directors is approved if the number of votes cast in favor
26 of the action exceeds the number of votes cast in opposition to the
27 action.

28 2. Unless otherwise provided in the articles of incorporation or
29 the bylaws, any action required or permitted to be taken at a meeting
30 of the stockholders may be taken without a meeting if, before or
31 after the action, a written consent thereto is signed by stockholders
32 holding at least a majority of the voting power, except that if a
33 different proportion of voting power is required for such an action at
34 a meeting, then that proportion of written consents is required.

35 3. In no instance where action is authorized by written consent
36 need a meeting of stockholders be called or notice given.

37 4. Unless otherwise restricted by the articles of incorporation
38 or bylaws, stockholders may participate in a meeting of stockholders
39 by means of a telephone conference or similar methods of
40 communication by which all persons participating in the meeting
41 can hear each other. Participation in a meeting pursuant to this
42 subsection constitutes presence in person at the meeting.

43 5. Unless ~~[otherwise provided in]~~ this chapter, the articles of
44 incorporation or the bylaws ~~[]~~ *provide for different proportions*, if



voting by a class or series of stockholders is permitted or required ~~to~~ **to**:

(a) A majority of the voting power of the class or series that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum for the transaction of business ~~to~~; **and**

(b) An act by the stockholders of each class or series is approved if a majority of the voting power of a quorum of the class or series votes for the action.

Sec. 8. NRS 78.330 is hereby amended to read as follows:

78.330 1. Unless elected pursuant to NRS 78.320, ***or unless the articles of incorporation or the bylaws require more than a plurality of the votes cast,*** directors of every corporation must be elected at the annual meeting of the stockholders by a plurality of the votes cast at the election. Unless otherwise provided in this chapter or in the bylaws, the board of directors has the authority to set the date, time and place for the annual meeting of the stockholders. If for any reason directors are not elected pursuant to NRS 78.320 or at the annual meeting of the stockholders, they may be elected at any special meeting of the stockholders which is called and held for that purpose. Unless otherwise provided in the articles of incorporation or bylaws, each director holds office after the expiration of his term until his successor is elected and qualified, or until he resigns or is removed.

2. The articles of incorporation or the bylaws may provide for the classification of directors as to the duration of their respective terms of office or as to their election by one or more authorized classes or series of shares, but at least one-fourth in number of the directors of every corporation must be elected annually. If an amendment reclassifying the directors would otherwise increase the term of a director, unless the amendment is to the articles of incorporation and otherwise provides, the term of each incumbent director on the effective date of the amendment terminates on the date it would have terminated had there been no reclassification.

3. The articles of incorporation may provide that the voting power of individual directors or classes of directors may be greater than or less than that of any other individual directors or classes of directors, and the different voting powers may be stated in the articles of incorporation or may be dependent upon any fact or event that may be ascertained outside the articles of incorporation if the manner in which the fact or event may operate on those voting powers is stated in the articles of incorporation. If the articles of incorporation provide that any directors may have voting power greater than or less than other directors, every reference in this chapter to a majority or other proportion of directors shall be



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1 deemed to refer to a majority or other proportion of the voting
2 power of all of the directors or classes of directors, as may be
3 required by the articles of incorporation.

4 **Sec. 9.** NRS 78.565 is hereby amended to read as follows:

5 78.565 1. Unless otherwise provided in the articles of
6 incorporation, every corporation may, by action taken at any
7 meeting of its board of directors, sell, lease or exchange all of its
8 property and assets, including its goodwill and its corporate
9 franchises, upon such terms and conditions as its board of directors
10 may approve, when and as authorized by the affirmative vote of
11 stockholders holding stock in the corporation entitling them to
12 exercise at least a majority of the voting power . ~~[given at a~~
13 ~~stockholders' meeting called for that purpose.]~~

14 2. Unless otherwise provided in the articles of incorporation, a
15 vote of stockholders is not necessary:

16 (a) For a transfer of assets by way of mortgage, or in trust or in
17 pledge to secure indebtedness of the corporation; or

18 (b) To abandon the sale, lease or exchange of assets.

19 **Sec. 10.** NRS 78.740 is hereby amended to read as follows:

20 78.740 1. Any corporation existing on or incorporated after
21 April 1, 1925, desiring to renew or revive its corporate existence,
22 upon complying with the provisions of this chapter, is and continues
23 for the time stated in its certificate of renewal to be a corporation,
24 and in addition to the rights, privileges and immunities conferred by
25 its original charter, possesses and enjoys all the benefits of this
26 chapter that are applicable to the nature of its business, and is
27 subject to the restrictions and liabilities by this chapter imposed on
28 such corporations.

29 2. *Except as otherwise provided in NRS 78.185, a renewal or*
30 *revival pursuant to NRS 78.730 relates back to the date on which*
31 *the corporation's charter expired or was revoked and renews or*
32 *revives the corporation's charter and right to transact business as*
33 *if such right had at all times remained in full force and effect.*

34 **Sec. 11.** NRS 80.170 is hereby amended to read as follows:

35 80.170 1. Except as otherwise provided in subsections 3 and
36 4, the Secretary of State shall reinstate a corporation which has
37 forfeited or which forfeits its right to transact business under the
38 provisions of this chapter and shall restore to the corporation its
39 right to transact business in this State, and to exercise its corporate
40 privileges and immunities, if it:

41 (a) Files with the Secretary of State:

42 (1) The list as provided in NRS 80.110 and 80.140;

43 (2) The statement required by NRS 80.115, if applicable; and

44 (3) A certificate of acceptance of appointment signed by its
45 resident agent; and



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(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 80.110 and 80.150 for each year or portion thereof that its right to transact business was forfeited;

(2) The fee set forth in NRS 80.115, if applicable; and

(3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the corporation, he shall issue to the corporation a certificate of reinstatement if the corporation:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to subsection 8 of NRS 78.785.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a corporation to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right is not subject to reinstatement.

5. Except as otherwise provided in NRS 80.175, a reinstatement pursuant to this section relates back to the date on which the corporation forfeited its right to transact business under the provisions of this chapter and reinstates the corporation's right to transact business as if such right had at all times remained in full force and effect.

Sec. 12. NRS 82.5237 is hereby amended to read as follows:

82.5237 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a foreign nonprofit corporation which has forfeited or which forfeits its right to transact business pursuant to the provisions of NRS 82.523 to 82.5239, inclusive, and restore to the foreign nonprofit corporation its right to transact business in this State, and to exercise its corporate privileges and immunities, if it:

(a) Files with the Secretary of State a list as provided in NRS 82.523; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 82.523 and 82.5235 for each year or portion thereof that its right to transact business was forfeited; and

(2) A fee of \$100 for reinstatement.

2. When the Secretary of State reinstates the foreign nonprofit corporation, he shall issue to the foreign nonprofit corporation a certificate of reinstatement if the foreign nonprofit corporation:

(a) Requests a certificate of reinstatement; and



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(b) Pays the fees as provided in subsection 8 of NRS 78.785.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign nonprofit corporation to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right to transact business must not be reinstated.

5. Except as otherwise provided in NRS 82.5239, a reinstatement pursuant to this section relates back to the date on which the foreign nonprofit corporation forfeited its right to transact business under the provisions of this chapter and reinstates the foreign nonprofit corporation's right to transact business as if such right had at all times remained in full force and effect.

Sec. 13. NRS 82.546 is hereby amended to read as follows:

82.546 1. Any corporation which did exist or is existing pursuant to the laws of this State may, upon complying with the provisions of NRS 78.150 and 82.193, procure a renewal or revival of its charter for any period, together with all the rights, franchises, privileges and immunities, and subject to all its existing and preexisting debts, duties and liabilities secured or imposed by its original charter and amendments thereto, or its existing charter, by filing:

(a) A certificate with the Secretary of State, which must set forth:

(1) The name of the corporation, which must be the name of the corporation at the time of the renewal or revival, or its name at the time its original charter expired.

(2) The name and street address of the lawfully designated resident agent of the filing corporation, and his mailing address if different from his street address.

(3) The date when the renewal or revival of the charter is to commence or be effective, which may be, in cases of a revival, before the date of the certificate.

(4) Whether or not the renewal or revival is to be perpetual, and, if not perpetual, the time for which the renewal or revival is to continue.

(5) That the corporation desiring to renew or revive its charter is, or has been, organized and carrying on the business authorized by its existing or original charter and amendments thereto, and desires to renew or continue through revival its existence pursuant to and subject to the provisions of this chapter.



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(b) A list of its president, secretary and treasurer and all of its directors and their mailing or street addresses, either residence or business.

2. A corporation whose charter has not expired and is being renewed shall cause the certificate to be signed by an officer of the corporation. The certificate must be approved by a majority of the last-appointed surviving directors.

3. A corporation seeking to revive its original or amended charter shall cause the certificate to be signed by its president or vice president and secretary or assistant secretary. The signing and filing of the certificate must be approved unanimously by the last-appointed surviving directors of the corporation and must contain a recital that unanimous consent was secured. The corporation shall pay to the Secretary of State the fee required to establish a new corporation pursuant to the provisions of this chapter.

4. The filed certificate, or a copy thereof which has been certified under the hand and seal of the Secretary of State, must be received in all courts and places as prima facie evidence of the facts therein stated and of the existence and incorporation of the corporation named therein.

5. Except as otherwise provided in NRS 78.185, a renewal or revival pursuant to this section relates back to the date on which the corporation's charter expired or was revoked and renews or revives the corporation's charter and right to transact business as if such right had at all times remained in full force and effect.

Sec. 14. NRS 84.150 is hereby amended to read as follows:

84.150 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate any corporation sole which has forfeited its right to transact business under the provisions of this chapter and restore the right to carry on business in this State and exercise its corporate privileges and immunities, if it:

(a) Files with the Secretary of State a certificate of acceptance of appointment signed by the resident agent of the corporation; and

(b) Pays to the Secretary of State:

(1) The filing fees and penalties set forth in this chapter for each year or portion thereof during which its charter has been revoked; and

(2) A fee of \$25 for reinstatement.

2. When the Secretary of State reinstates the corporation to its former rights, he shall:

(a) Immediately issue and deliver to the corporation a certificate of reinstatement authorizing it to transact business, as if the fees had been paid when due; and

(b) Upon demand, issue to the corporation a certified copy of the certificate of reinstatement.



3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of its charter occurred only by reason of its failure to pay the fees and penalties.

4. If a corporate charter has been revoked pursuant to the provisions of this chapter and has remained revoked for 10 consecutive years, the charter must not be reinstated.

5. A reinstatement pursuant to this section relates back to the date on which the corporation forfeited its right to transact business under the provisions of this chapter and reinstates the corporation's right to transact business as if such right had at all times remained in full force and effect.

Sec. 15. Chapter 86 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before the commencement of business by any limited-liability company where management is vested in one or more managers and where no member's interest in the limited-liability company has been issued, at least two-thirds of the organizers or the managers of the limited-liability company may dissolve the limited-liability company by filing with the Secretary of State a certificate of dissolution to dissolve the limited-liability company.

2. A certificate of dissolution filed with the Secretary of State pursuant to subsection 1 must state that:

(a) The management of the limited-liability company is vested in one or more managers;

(b) The limited-liability company has not commenced business; and

(c) No member's interest in the limited-liability company has been issued.

Sec. 16. NRS 86.201 is hereby amended to read as follows:

86.201 1. A limited-liability company is considered legally organized pursuant to this chapter upon:

(a) Filing the articles of organization with the Secretary of State or upon a later date specified in the articles of organization;

(b) Filing the certificate of acceptance of the resident agent with the Secretary of State; and

(c) Paying the required filing fees to the Secretary of State.

2. A limited-liability company must not transact business or incur indebtedness, except that which is incidental to its organization or to obtaining subscriptions for or payment of contributions, until the company is considered legally organized pursuant to subsection 1.

3. A limited-liability company is an entity distinct from its managers and members.



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Sec. 17. NRS 86.276 is hereby amended to read as follows:

86.276 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate any limited-liability company which has forfeited or which forfeits its right to transact business pursuant to the provisions of this chapter and shall restore to the company its right to carry on business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

(1) The list required by NRS 86.263;

(2) The statement required by NRS 86.264, if applicable; and

(3) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 86.263 and 86.272 for each year or portion thereof during which it failed to file in a timely manner each required annual list;

(2) The fee set forth in NRS 86.264, if applicable; and

(3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the limited-liability company, he shall issue to the company a certificate of reinstatement if the limited-liability company:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 86.561.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of the charter occurred only by reason of failure to pay the fees and penalties.

4. If a company's charter has been revoked pursuant to the provisions of this chapter and has remained revoked for a period of 5 consecutive years, the charter must not be reinstated.

5. Except as otherwise provided in NRS 86.278, a reinstatement pursuant to this section relates back to the date on which the company forfeited its right to transact business under the provisions of this chapter and reinstates the company's right to transact business as if such right had at all times remained in full force and effect.

Sec. 18. NRS 86.286 is hereby amended to read as follows:

86.286 1. A limited-liability company may, but is not required to, adopt an operating agreement. An operating agreement may be adopted only by the unanimous vote or unanimous written consent of the members, or by the sole member, and the operating agreement must be in writing. Unless otherwise provided in the operating agreement, amendments to the agreement may be adopted only by the unanimous vote or unanimous written consent of the persons who are members at the time of amendment.



2. An operating agreement may be adopted before, after or at the time of the filing of the articles of organization and, whether entered into before, after or at the time of the filing, may become effective at the formation of the limited-liability company or at a later date specified in the operating agreement. If an operating agreement is adopted ~~[before]~~ :

(a) *Before* the filing of the articles of organization or before the effective date of formation specified in the articles of organization, the operating agreement is not effective until the effective date of formation of the limited-liability company.

(b) *After the filing of the articles of organization or after the effective date of formation specified in the articles of organization, the operating agreement binds the limited-liability company and may be enforced whether or not the limited-liability company assents to the operating agreement.*

3. An operating agreement may provide that a certificate of limited-liability company interest issued by the limited-liability company may evidence a member's interest in a limited-liability company.

Sec. 19. NRS 86.371 is hereby amended to read as follows:

86.371 *1.* Unless otherwise provided in the articles of organization or an agreement signed by the member or manager to be charged, no member or manager of any limited-liability company formed under the laws of this State is individually liable for the debts or liabilities of the company.

2. The failure of a limited-liability company to observe any formality relating to the exercise of its powers or management of its activities is not a ground for imposing liability on a member or manager for the debts or liabilities of the limited-liability company.

Sec. 20. NRS 86.483 is hereby amended to read as follows:

86.483 A member, ~~[when permitted]~~ *including a noneconomic member unless otherwise prohibited* by the terms of the articles of organization or operating agreement, may bring an action in the right of a limited-liability company to recover a judgment in its favor if managers or members with authority to do so have refused to bring the action or if an effort to cause those managers or members to bring the action is not likely to succeed.

Sec. 21. NRS 86.5467 is hereby amended to read as follows:

86.5467 *1.* Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a foreign limited-liability company which has forfeited or which forfeits its right to transact business under the provisions of this chapter and shall restore to the foreign limited-liability company its right to transact business in this State, and to exercise its privileges and immunities, if it:



(a) Files with the Secretary of State:

(1) The list required by NRS 86.5461;

(2) The statement required by NRS 86.5462, if applicable;

and

(3) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 86.5461 and 86.5465 for each year or portion thereof that its right to transact business was forfeited;

(2) The fee set forth in NRS 86.5462, if applicable; and

(3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the foreign limited-liability company, he shall issue to the foreign limited-liability company a certificate of reinstatement if the foreign limited-liability company:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 86.561.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign limited-liability company to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right must not be reinstated.

5. Except as otherwise provided in NRS 86.5468, a reinstatement pursuant to this section relates back to the date on which the foreign limited-liability company forfeited its right to transact business under the provisions of this chapter and reinstates the foreign limited-liability company's right to transact business as if such right had at all times remained in full force and effect.

Sec. 22. NRS 86.580 is hereby amended to read as follows:

86.580 1. A limited-liability company which did exist or is existing pursuant to the laws of this State may, upon complying with the provisions of NRS 86.276, procure a renewal or revival of its charter for any period, together with all the rights, franchises, privileges and immunities, and subject to all its existing and preexisting debts, duties and liabilities secured or imposed by its original charter and amendments thereto, or existing charter, by filing:

(a) A certificate with the Secretary of State, which must set forth:



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(1) The name of the limited-liability company, which must be the name of the limited-liability company at the time of the renewal or revival, or its name at the time its original charter expired.

(2) The name of the person lawfully designated as the resident agent of the limited-liability company, his street address for the service of process, and his mailing address if different from his street address.

(3) The date when the renewal or revival of the charter is to commence or be effective, which may be, in cases of a revival, before the date of the certificate.

(4) Whether or not the renewal or revival is to be perpetual, and, if not perpetual, the time for which the renewal or revival is to continue.

(5) That the limited-liability company desiring to renew or revive its charter is, or has been, organized and carrying on the business authorized by its existing or original charter and amendments thereto, and desires to renew or continue through revival its existence pursuant to and subject to the provisions of this chapter.

(b) A list of its managers, or if there are no managers, all its managing members and their mailing or street addresses, either residence or business.

2. A limited-liability company whose charter has not expired and is being renewed shall cause the certificate to be signed by its manager, or if there is no manager, by a person designated by its members. The certificate must be approved by a majority in interest.

3. A limited-liability company seeking to revive its original or amended charter shall cause the certificate to be signed by a person or persons designated or appointed by the members. The signing and filing of the certificate must be approved by the written consent of a majority in interest and must contain a recital that this consent was secured. The limited-liability company shall pay to the Secretary of State the fee required to establish a new limited-liability company pursuant to the provisions of this chapter.

4. The filed certificate, or a copy thereof which has been certified under the hand and seal of the Secretary of State, must be received in all courts and places as prima facie evidence of the facts therein stated and of the existence of the limited-liability company therein named.

5. Except as otherwise provided in NRS 86.278, a renewal or revival pursuant to this section relates back to the date on which the limited-liability company's charter expired or was revoked and renews or revives the limited-liability company's charter and right



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to transact business as if such right had at all times remained in full force and effect.

Sec. 23. NRS 87.020 is hereby amended to read as follows:

87.020 As used in NRS 87.010 to 87.430, inclusive, unless the context otherwise requires:

1. "Bankrupt" includes bankrupt under the Federal Bankruptcy Act or insolvent under any state insolvent act.

2. "Conveyance" includes every assignment, lease, mortgage or encumbrance.

3. "Court" includes every court and judge having jurisdiction in the case.

4. "Real property" includes land and any interest or estate in land.

5. "Registered limited-liability partnership" means a partnership formed pursuant to an agreement governed by NRS 87.010 to 87.430, inclusive, ~~[for the purpose of rendering a professional service]~~ and registered pursuant to and complying with NRS 87.440 to 87.560, inclusive.

Sec. 24. (Deleted by amendment.)

Sec. 25. NRS 87.4311 is hereby amended to read as follows:

87.4311 "Registered limited-liability partnership" means a partnership formed pursuant to an agreement governed by NRS 87.4301 to 87.4357, inclusive, ~~[for the purpose of rendering a professional service]~~ and registered pursuant to and complying with NRS 87.440 to 87.560, inclusive.

Sec. 26. NRS 87.4314 is hereby amended to read as follows:

87.4314 The provisions of NRS 87.4301 to 87.4357, inclusive, apply to a partnership:

1. Which ~~[was formed before July 1, 2006; or
2. Which is formed on or after July 1, 2006;
and which]~~ voluntarily elects to be governed by the provisions of NRS 87.4301 to 87.4357, inclusive ~~[]~~; or

2. Which is formed on or after July 1, 2006, and which does not voluntarily elect to be governed by the provisions of NRS 87.010 to 87.430, inclusive.

Sec. 27. NRS 87.440 is hereby amended to read as follows:

87.440 1. To become a registered limited-liability partnership, a partnership shall file with the Secretary of State a certificate of registration stating each of the following:

(a) The name of the partnership.

(b) The street address of its principal office.

(c) The name of the person designated as the partnership's resident agent, the street address of the resident agent where process may be served upon the partnership and the mailing address of the resident agent if it is different than his street address.



(d) The name and business address of each managing partner in this State.

~~(e) [A brief statement of the professional service rendered by the partnership.~~

~~—(f)]~~ That the partnership thereafter will be a registered limited-liability partnership.

~~[(e)] (f)~~ Any other information that the partnership wishes to include.

2. The certificate of registration must be signed by a majority in interest of the partners or by one or more partners authorized to sign such a certificate.

3. The certificate of registration must be accompanied by a fee of \$75.

4. The Secretary of State shall register as a registered limited-liability partnership any partnership that submits a completed certificate of registration with the required fee.

5. The registration of a registered limited-liability partnership is effective at the time of the filing of the certificate of registration.

Sec. 28. NRS 87.530 is hereby amended to read as follows:

87.530 1. Except as otherwise provided in subsection 3, the Secretary of State shall reinstate the certificate of registration of a registered limited-liability partnership that is revoked pursuant to NRS 87.520 if the registered limited-liability partnership:

(a) Files with the Secretary of State:

(1) The information required by NRS 87.510; and

(2) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The fee required to be paid pursuant to NRS 87.510;

(2) Any penalty required to be paid pursuant to NRS 87.520;

and

(3) A reinstatement fee of \$300.

2. When the Secretary of State reinstates the registered limited-liability partnership, he shall issue to the registered limited-liability partnership a certificate of reinstatement if the registered limited-liability partnership:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 87.550.

3. The Secretary of State shall not reinstate the certificate of registration of a registered limited-liability partnership if the certificate was revoked pursuant to the provisions of this chapter at least 5 years before the date of the proposed reinstatement.

4. Except as otherwise provided in NRS 87.455, a reinstatement pursuant to this section relates back to the date on which the registered limited-liability partnership's certificate of



registration was revoked and reinstates the registered limited-liability's certificate of registration as if such certificate had at all times remained in full force and effect.

Sec. 29. NRS 87.5435 is hereby amended to read as follows:

87.5435 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a foreign registered limited-liability partnership which has forfeited or which forfeits its right to transact business under the provisions of this chapter and shall restore to the foreign registered limited-liability partnership its right to transact business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

(1) The list required by NRS 87.541; and

(2) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 87.541 and 87.5425 for each year or portion thereof that its right to transact business was forfeited; and

(2) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the foreign registered limited-liability partnership, he shall issue to the foreign registered limited-liability partnership a certificate of reinstatement if the foreign registered limited-liability partnership:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 87.550.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign registered limited-liability partnership to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right to transact business must not be reinstated.

5. Except as otherwise provided in NRS 87.544, a reinstatement pursuant to this section relates back to the date on which the foreign registered limited-liability partnership forfeited its right to transact business under the provisions of this chapter and reinstates the foreign registered limited-liability partnership's right to transact business as if such right had at all times remained in full force and effect.

Sec. 30. NRS 88.410 is hereby amended to read as follows:

88.410 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate any limited partnership



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1 which has forfeited or which forfeits its right to transact business
2 under the provisions of this chapter and restore to the limited
3 partnership its right to carry on business in this State, and to exercise
4 its privileges and immunities if it:

5 (a) Files with the Secretary of State:

6 (1) The list required pursuant to NRS 88.395;

7 (2) The statement required by NRS 88.397, if applicable; and

8 (3) A certificate of acceptance of appointment signed by its
9 resident agent; and

10 (b) Pays to the Secretary of State:

11 (1) The filing fee and penalty set forth in NRS 88.395 and
12 88.400 for each year or portion thereof during which the certificate
13 has been revoked;

14 (2) The fee set forth in NRS 88.397, if applicable; and

15 (3) A fee of \$300 for reinstatement.

16 2. When the Secretary of State reinstates the limited
17 partnership, he shall issue to the limited partnership a certificate of
18 reinstatement if the limited partnership:

19 (a) Requests a certificate of reinstatement; and

20 (b) Pays the required fees pursuant to NRS 88.415.

21 3. The Secretary of State shall not order a reinstatement unless
22 all delinquent fees and penalties have been paid, and the revocation
23 occurred only by reason of failure to pay the fees and penalties.

24 4. If a limited partnership's certificate has been revoked
25 pursuant to the provisions of this chapter and has remained revoked
26 for a period of 5 years, the certificate must not be reinstated.

27 *5. Except as otherwise provided in NRS 88.327, a*
28 *reinstatement pursuant to this section relates back to the date on*
29 *which the limited partnership forfeited its right to transact*
30 *business under the provisions of this chapter and reinstates the*
31 *limited partnership's right to transact business as if such right had*
32 *at all times remained in full force and effect.*

33 **Sec. 31.** NRS 88.594 is hereby amended to read as follows:

34 88.594 1. Except as otherwise provided in subsections 3 and
35 4, the Secretary of State shall reinstate a foreign limited partnership
36 which has forfeited or which forfeits its right to transact business
37 under the provisions of this chapter and shall restore to the foreign
38 limited partnership its right to transact business in this State, and to
39 exercise its privileges and immunities, if it:

40 (a) Files with the Secretary of State:

41 (1) The list required by NRS 88.591;

42 (2) The statement required by NRS 88.5915, if applicable;

43 and

44 (3) A certificate of acceptance of appointment signed by its
45 resident agent; and



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(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 88.591 and 88.593 for each year or portion thereof that its right to transact business was forfeited;

(2) The fee set forth in NRS 88.5915, if applicable; and

(3) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the foreign limited partnership, he shall issue to the foreign limited partnership a certificate of reinstatement if the foreign limited partnership:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 88.415.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign limited partnership to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right is not subject to reinstatement.

5. Except as otherwise provided in NRS 88.5945, a reinstatement pursuant to this section relates back to the date on which the foreign limited partnership forfeited its right to transact business under the provisions of this chapter and reinstates the foreign limited partnership's right to transact business as if such right had at all times remained in full force and effect.

Sec. 32. NRS 88A.650 is hereby amended to read as follows:

88A.650 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a business trust which has forfeited or which forfeits its right to transact business pursuant to the provisions of this chapter and shall restore to the business trust its right to carry on business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

(1) The list required by NRS 88A.600; and

(2) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 88A.600 and 88A.630 for each year or portion thereof during which its certificate of trust was revoked; and

(2) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the business trust, he shall issue to the business trust a certificate of reinstatement if the business trust:

(a) Requests a certificate of reinstatement; and



(b) Pays the required fees pursuant to NRS 88A.900.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of the certificate of trust occurred only by reason of the failure to file the list or pay the fees and penalties.

4. If a certificate of business trust has been revoked pursuant to the provisions of this chapter and has remained revoked for a period of 5 consecutive years, the certificate must not be reinstated.

5. Except as otherwise provided in NRS 88A.660, a reinstatement pursuant to this section relates back to the date on which the business trust forfeited its right to transact business under the provisions of this chapter and reinstates the business trust's right to transact business as if such right had at all times remained in full force and effect.

Sec. 33. NRS 88A.737 is hereby amended to read as follows:

88A.737 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate a foreign business trust which has forfeited or which forfeits its right to transact business under the provisions of this chapter and shall restore to the foreign business trust its right to transact business in this State, and to exercise its privileges and immunities, if it:

(a) Files with the Secretary of State:

(1) The list required by NRS 88A.732; and

(2) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 88A.732 and 88A.735 for each year or portion thereof that its right to transact business was forfeited; and

(2) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the foreign business trust, he shall issue to the foreign business trust a certificate of reinstatement if the foreign business trust:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to NRS 88A.900.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid and the revocation of the right to transact business occurred only by reason of failure to pay the fees and penalties.

4. If the right of a foreign business trust to transact business in this State has been forfeited pursuant to the provisions of this chapter and has remained forfeited for a period of 5 consecutive years, the right to transact business must not be reinstated.

5. Except as otherwise provided in NRS 88A.738, a reinstatement pursuant to this section relates back to the date the



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1 *foreign business trust forfeited its right to transact business under*
2 *the provisions of this chapter and reinstates the foreign business*
3 *trust's right to transact business as if such right had at all times*
4 *remained in full force and effect.*

5 **Sec. 34.** NRS 89.020 is hereby amended to read as follows:

6 89.020 As used in this chapter, unless the context requires
7 otherwise:

8 1. *"Articles" means either the articles of incorporation of a*
9 *professional corporation or the articles of organization of a*
10 *professional limited-liability company.*

11 2. "Employee" means a person licensed or otherwise legally
12 authorized to render professional service within this State who
13 renders such service through a professional ~~corporation~~ *entity* or a
14 professional association, but does not include clerks, bookkeepers,
15 technicians or other persons who are not usually considered by
16 custom and practice of the profession to be rendering professional
17 services to the public.

18 ~~[2.]~~ 3. "Licensed" means legally authorized by the appropriate
19 regulating board of this State to engage in a regulated profession in
20 this State.

21 ~~[3.]~~ 4. "Professional association" means a common-law
22 association of two or more persons licensed or otherwise legally
23 authorized to render professional service within this State when
24 created by written articles of association which contain in substance
25 the following provisions characteristic of corporate entities:

26 (a) The death, insanity, bankruptcy, retirement, resignation,
27 expulsion or withdrawal of any member of the association does not
28 cause its dissolution.

29 (b) The authority to manage the affairs of the association is
30 vested in a board of directors or an executive board or committee,
31 elected by the members of the association.

32 (c) The members of the association are employees of the
33 association.

34 (d) Members' ownership is evidenced by certificates.

35 ~~[4.]~~ 5. *"Owner" means the owner of stock in a professional*
36 *corporation or the owner of a member's interest, as defined in*
37 *NRS 86.091, in a professional limited-liability company.*

38 6. *"Owner's interest" means the stock of a professional*
39 *corporation or a member's interest, as defined in NRS 86.091, of a*
40 *professional limited-liability company.*

41 7. "Professional corporation" means a corporation organized
42 under this chapter to render a professional service.

43 ~~[5.]~~ 8. *"Professional entity" means either a professional*
44 *corporation or a professional limited-liability company.*



1 **9. “Professional limited-liability company” means a limited-**
2 **liability company organized pursuant to this chapter to render**
3 **professional service.**

4 **10. “Professional service” means any type of personal service**
5 **which may legally be performed only pursuant to a license,**
6 **certificate of registration or other legal authorization.**

7 ~~[6-]~~ **11. “Record” means information that is inscribed on a**
8 **tangible medium or that is stored in an electronic or other medium**
9 **and is retrievable in perceivable form.**

10 ~~[7-]~~ **12. “Regulating board” means the body which regulates**
11 **and authorizes the admission to the profession which a professional**
12 ~~[corporation]~~ **entity or a professional association is authorized to**
13 **perform.**

14 ~~[8-]~~ **13. “Sign” means to affix a signature to a record.**

15 ~~[9-]~~ **14. “Signature” means a name, word, symbol or mark**
16 **executed or otherwise adopted, or a record encrypted or similarly**
17 **processed in whole or in part, by a person with the present intent to**
18 **identify himself and adopt or accept a record. The term includes,**
19 **without limitation, an electronic signature as defined in**
20 **NRS 719.100.**

21 **Sec. 35.** NRS 89.025 is hereby amended to read as follows:

22 89.025 Except as otherwise provided in NRS 89.200 to 89.270,
23 inclusive, the fees set forth in NRS **78.755 to 78.785 , inclusive,**
24 **apply to ~~[this chapter-]~~ professional corporations and the fees set**
25 **forth in NRS 86.561 apply to professional limited-liability**
26 **companies.**

27 **Sec. 36.** NRS 89.030 is hereby amended to read as follows:

28 89.030 The laws applicable to other Nevada ~~[private]~~
29 corporations organized under chapter 78 of NRS **and limited-**
30 **liability companies organized under chapter 86 of NRS** and all
31 rights, privileges and duties thereunder shall apply to professional
32 corporations ~~[]~~ **and professional limited-liability companies,**
33 **respectively,** except where such laws are in conflict with or
34 inconsistent with the provisions of this chapter. In case of conflict,
35 the provisions of this chapter shall apply.

36 **Sec. 37.** NRS 89.040 is hereby amended to read as follows:

37 89.040 1. One or more persons may organize a professional
38 ~~[corporation]~~ **entity** in the manner provided for organizing a
39 ~~[private]~~ corporation pursuant to chapter 78 of NRS ~~[]~~ **or a limited-**
40 **liability company pursuant to chapter 86 of NRS.** Each person
41 organizing the ~~[corporation]~~ **professional entity** must, except as
42 otherwise provided in subsection 2 of NRS 89.050, be authorized to
43 perform the professional service for which the ~~[corporation]~~
44 **professional entity** is organized. The articles ~~[of incorporation]~~ must
45 contain the following additional information:



(a) The profession to be practiced by means of the professional ~~corporation~~ *entity*.

(b) The names and addresses, either residence or business, of the original stockholders and directors of the professional corporation ~~and~~ *or the original members and managers of the professional limited-liability company*.

(c) Except as otherwise provided in paragraph (d) of this subsection, a certificate from the regulating board of the profession to be practiced showing that each of the directors, ~~and each of the~~ stockholders *, managers or members* who is a natural person, is licensed to practice the profession.

(d) For a professional ~~corporation~~ *entity* organized pursuant to this chapter and practicing pursuant to the provisions of NRS 623.349, a certificate from the regulating board or boards of the profession or professions to be practiced showing that control and two-thirds ownership of the ~~corporation~~ *professional entity* is held by persons registered or licensed pursuant to the applicable provisions of chapter 623, 623A or 625 of NRS. As used in this paragraph, "control" has the meaning ascribed to it in NRS 623.349.

2. The corporate name of a professional corporation must contain the words "Professional Corporation" or the abbreviation "Prof. Corp.," "P.C." or "PC," or the word "Chartered" or the abbreviation "Chtd.," or "Limited" or the abbreviation "Ltd." The corporate name must contain the last name of one or more of its current or former stockholders. ~~The corporation~~

3. *The name of a professional limited-liability company must contain the words "Professional Limited-Liability Company" or the abbreviations "Prof. L.L.C.," "Prof. LLC," "P.L.L.C.," "PLLC," or the word "Chartered" or the abbreviation "Chtd.," or "Limited" or the abbreviation "Ltd." The name of a professional limited-liability company must contain the last name of one or more of its current or former members.*

4. *The professional entity* may render professional services and exercise its authorized powers under a fictitious name if the ~~corporation~~ *professional entity* has first registered the name in the manner required by chapter 602 of NRS.

Sec. 38. NRS 89.050 is hereby amended to read as follows:

89.050 1. Except as otherwise provided in subsection 2, a professional ~~corporation~~ *entity* may be organized only for the purpose of rendering one specific type of professional service and may not engage in any business other than rendering the professional service for which it was organized and services reasonably related thereto, except that a professional ~~corporation~~ *entity* may own real and personal property appropriate to its



1 business and may invest its money in any form of real property,
2 securities or any other type of investment.

3 2. A professional ~~{corporation}~~ *entity* may be organized to
4 render a professional service relating to:

5 (a) Architecture, interior design, residential design, engineering
6 and landscape architecture, or any combination thereof, and may be
7 composed of persons:

8 (1) Engaged in the practice of architecture as provided in
9 chapter 623 of NRS;

10 (2) Practicing as a registered interior designer as provided in
11 chapter 623 of NRS;

12 (3) Engaged in the practice of residential design as provided
13 in chapter 623 of NRS;

14 (4) Engaged in the practice of landscape architecture as
15 provided in chapter 623A of NRS; and

16 (5) Engaged in the practice of professional engineering as
17 provided in chapter 625 of NRS.

18 (b) Medicine, homeopathy and osteopathy, and may be
19 composed of persons engaged in the practice of medicine as
20 provided in chapter 630 of NRS, persons engaged in the practice of
21 homeopathic medicine as provided in chapter 630A of NRS and
22 persons engaged in the practice of osteopathic medicine as provided
23 in chapter 633 of NRS. Such a professional ~~{corporation}~~ *entity* may
24 market and manage additional professional ~~{corporations}~~ *entities*
25 which are organized to render a professional service relating to
26 medicine, homeopathy and osteopathy.

27 (c) Mental health services, and may be composed of the
28 following persons, in any number and in any combination:

29 (1) Any psychologist who is licensed to practice in this State;

30 (2) Any social worker who holds a master's degree in social
31 work and who is licensed by this State as a clinical social worker;

32 (3) Any registered nurse who is licensed to practice
33 professional nursing in this State and who holds a master's degree in
34 the field of psychiatric nursing; and

35 (4) Any marriage and family therapist who is licensed by this
36 State pursuant to chapter 641A of NRS.

37 ➤ Such a professional ~~{corporation}~~ *entity* may market and manage
38 additional professional ~~{corporations}~~ *entities* which are organized
39 to render a professional service relating to mental health services
40 pursuant to this paragraph.

41 3. A professional ~~{corporation}~~ *entity* may render a
42 professional service only through its officers , *managers* and
43 employees who are licensed or otherwise authorized by law to
44 render the professional service.



1 **Sec. 39.** NRS 89.060 is hereby amended to read as follows:

2 89.060 The provisions of this chapter relating to professional
3 ~~{corporations}~~ *entities* do not modify any law applicable to the
4 relationship between a person furnishing professional service and a
5 person receiving such service, including liability arising out of such
6 professional service, but nothing contained in this section renders:

7 1. A person personally liable in tort for any act in which he has
8 not personally participated.

9 2. A director, officer or employee of a professional
10 ~~{corporation}~~ *entity* liable in contract for any contract which he
11 signs on behalf of a professional ~~{corporation}~~ *entity* within the
12 limits of his actual authority.

13 **Sec. 40.** NRS 89.070 is hereby amended to read as follows:

14 89.070 1. Except as otherwise provided in this section and
15 NRS 623.349:

16 (a) No ~~{corporation organized under the provisions of this~~
17 ~~chapter}~~ *professional entity* may issue any of its ~~{stock}~~ *owner's*
18 *interest* to anyone other than a natural person who is licensed to
19 render the same specific professional services as those for which the
20 ~~{corporation}~~ *professional entity* was ~~{incorporated.}~~ *formed.*

21 (b) No ~~{stockholder of a corporation organized under this~~
22 ~~chapter}~~ *owner* may enter into a voting trust agreement or any other
23 type of agreement vesting another person with the authority to
24 exercise the voting power of any or all of his ~~{stock,}~~ *owner's*
25 *interest*, unless the other person is licensed to render the same
26 specific professional services as those for which the ~~{corporation}~~
27 *professional entity* was ~~{incorporated.}~~ *formed.*

28 (c) No ~~{shares of a corporation organized under this chapter}~~
29 *owner's interest* may be sold or transferred except to a natural
30 person who is eligible to be ~~{a stockholder of the corporation}~~ *an*
31 *owner* or to the personal representative or estate of a deceased or
32 legally incompetent stockholder. The personal representative or
33 estate of the ~~{stockholder}~~ *owner* may continue to own ~~{shares}~~ *the*
34 *owner's interest* for a reasonable period, but may not participate in
35 any decisions concerning the rendering of professional services.

36 ➤ The articles , ~~{of incorporation or}~~ bylaws *or operating*
37 *agreement of the professional entity* may provide specifically for
38 additional restrictions on the transfer of ~~{shares}~~ *an owner's interest*
39 and may provide for the redemption or purchase of the ~~{shares}~~
40 *owner's interest* by the ~~{corporation.}~~ *professional entity*, its
41 ~~{stockholders}~~ *owners* or an eligible individual account plan
42 complying with the requirements of subsection 2 at prices and in a
43 manner specifically set forth. ~~{A stockholder}~~ *An owner* may
44 transfer his ~~{shares}~~ *owner's interest* in the ~~{corporation}~~
45 *professional entity* or any other interest in the assets of the



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1 ~~{corporation}~~ *professional entity* to a revocable trust if he acts as
2 trustee of the revocable trust and any person who acts as cotrustee
3 and is not licensed to perform the services for which the
4 ~~{corporation}~~ *professional entity* was ~~{incorporated}~~ *formed* does
5 not participate in any decisions concerning the rendering of those
6 services.

7 2. Except as otherwise provided in NRS 623.349, a person not
8 licensed to render the professional services for which the
9 ~~{corporation}~~ *professional entity* was ~~{incorporated}~~ *formed* may
10 own a beneficial interest in any of the assets, including ~~{corporate}~~
11 ~~shares,}~~ *an owner's interest*, held for his account by an eligible
12 individual account plan sponsored by the professional ~~{corporation}~~
13 *entity* for the benefit of its employees, which is intended to qualify
14 under section 401 of the Internal Revenue Code, 26 U.S.C. § 401, if
15 the terms of the trust are such that the total number of shares which
16 may be distributed for the benefit of persons not licensed to render
17 the professional services for which the ~~{corporation}~~ *professional*
18 *entity* was ~~{incorporated}~~ *formed* is less than a controlling interest
19 and:

20 (a) The trustee of the trust is licensed to render the same specific
21 professional services as those for which the ~~{corporation}~~
22 *professional entity* was ~~{incorporated,}~~ *formed*; or

23 (b) The trustee is not permitted to participate in any ~~{corporate}~~
24 decisions concerning the rendering of professional services in his
25 capacity as trustee.

26 ➤ A trustee who is individually ~~{a stockholder of the corporation}~~
27 *an owner* may participate in his individual capacity as ~~{a}~~
28 ~~stockholder,}~~ *an owner, manager*, director or officer in any
29 ~~{corporate}~~ decision.

30 3. Except as otherwise provided in subsection 4, a professional
31 ~~{corporation}~~ *entity* in which all the ~~{stockholders}~~ *owners* who are
32 natural persons are licensed to render the same specific professional
33 service may acquire and hold ~~{stock}~~ *an owner's interest* in another
34 professional ~~{corporation,}~~ *entity* or in a similar ~~{corporation}~~ *entity*
35 organized pursuant to the corresponding law of another state, only if
36 all the ~~{stockholders}~~ *owners* who are natural persons of the
37 ~~{corporation}~~ *professional entity* whose stock is acquired are
38 licensed in that ~~{corporation's}~~ *professional entity's* state of
39 ~~{incorporation}~~ *formation* to render the same specific professional
40 service as the ~~{stockholders}~~ *owners* who are natural persons of the
41 professional ~~{corporation}~~ *entity* that acquires the ~~{stock,}~~ *owner's*
42 *interest*.

43 4. A professional ~~{corporation}~~ *entity* practicing pursuant to
44 NRS 623.349 in which all the ~~{stockholders}~~ *owners* are natural
45 persons, regardless of whether or not the natural persons are



1 licensed to render the same specific professional service, may
2 acquire and hold ~~[stock]~~ *an owner's interest* in another professional
3 ~~[corporation]~~ *entity* or in a similar ~~[corporation]~~ *entity* organized
4 pursuant to the corresponding law of another state if control and
5 two-thirds ownership of the business organization or association that
6 is acquired is held by persons registered or licensed pursuant to the
7 applicable provisions of chapter 623, 623A or 625 of NRS. As used
8 in this subsection, "control" has the meaning ascribed to it in
9 NRS 623.349.

10 5. Any act in violation of this section is void and does not pass
11 any rights or privileges or vest any powers, except to an innocent
12 person who is not ~~[a stockholder]~~ *an owner* and who has relied on
13 the effectiveness of the action.

14 **Sec. 41.** NRS 89.080 is hereby amended to read as follows:

15 89.080 1. If any officer, stockholder, director, *member,*
16 *manager* or employee of ~~[a corporation]~~ *a professional entity*
17 organized under this chapter who has been rendering professional
18 service to the public becomes legally disqualified to render such
19 professional services within this State, he shall sever within a
20 reasonable period all professional service with and financial interest
21 in the ~~[corporation]~~ *professional entity*, but this chapter does not
22 prevent a ~~[corporation]~~ *professional entity* formed under this
23 chapter from entering into a contract with an employee which
24 provides for severance pay or for compensation for past services
25 upon termination of professional service, whether by death or
26 otherwise.

27 2. Except as otherwise provided in NRS 623.349, a natural
28 person may not be an officer, ~~[or]~~ director *or manager* of a
29 ~~[corporation—organized]~~ *professional entity formed* under this
30 chapter unless he is licensed to render the same specific professional
31 services as those for which the ~~[corporation]~~ *professional entity* was
32 ~~[incorporated.]~~ *formed.*

33 3. Upon the death of ~~[a stockholder]~~ *an owner* of a
34 ~~[corporation]~~ *professional entity* who has transferred his interest in
35 the ~~[corporation]~~ *professional entity* to a revocable trust as
36 permitted by NRS 89.070, the trustee of the revocable trust may
37 continue to retain any interest so transferred ~~[including corporate~~
38 ~~shares,]~~ for a reasonable period, but may not exercise any authority
39 concerning the rendering of professional services and may not,
40 except as otherwise provided in NRS 623.349, distribute the
41 ~~[corporate]~~ *owner's* interest to any person not licensed to render the
42 services for which the ~~[corporation]~~ *professional entity* was
43 ~~[incorporated.]~~ *formed.*



4. A ~~corporation's~~ *professional entity's* failure to require compliance with the provisions of this section is a ground for the forfeiture of its charter.

Sec. 42. NRS 89.100 is hereby amended to read as follows:

89.100 The provisions of this chapter relating to professional ~~corporations~~ *entities* do not bar the regulating board of any profession from taking any action otherwise within its power, nor do they affect the rules of ethics or practice of any profession.

Sec. 43. NRS 89.110 is hereby amended to read as follows:

89.110 No professional ~~corporation~~ *entity* may do any act which is prohibited to be done by natural persons licensed to practice the profession which the professional ~~corporation~~ *entity* is organized to practice.

Sec. 44. NRS 89.256 is hereby amended to read as follows:

89.256 1. Except as otherwise provided in subsections 3 and 4, the Secretary of State shall reinstate any professional association which has forfeited its right to transact business under the provisions of this chapter and restore the right to carry on business in this State and exercise its privileges and immunities if it:

(a) Files with the Secretary of State:

(1) The list and certification required by NRS 89.250; and

(2) A certificate of acceptance of appointment signed by its resident agent; and

(b) Pays to the Secretary of State:

(1) The filing fee and penalty set forth in NRS 89.250 and 89.252 for each year or portion thereof during which the articles of association have been revoked; and

(2) A fee of \$300 for reinstatement.

2. When the Secretary of State reinstates the professional association, he shall issue to the professional association a certificate of reinstatement if the professional association:

(a) Requests a certificate of reinstatement; and

(b) Pays the required fees pursuant to subsection 8 of NRS 78.785.

3. The Secretary of State shall not order a reinstatement unless all delinquent fees and penalties have been paid, and the revocation of the articles of association occurred only by reason of the failure to pay the fees and penalties.

4. If the articles of association of a professional association have been revoked pursuant to the provisions of this chapter and have remained revoked for 10 consecutive years, the articles must not be reinstated.

5. A reinstatement pursuant to this section relates back to the date on which the professional association forfeited its right to transact business under the provisions of this chapter and



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reinstates the professional association's right to transact business as if such right had at all times remained in full force and effect.

Sec. 45. NRS 92A.380 is hereby amended to read as follows:

92A.380 1. Except as otherwise provided in NRS 92A.370 and 92A.390, any stockholder is entitled to dissent from, and obtain payment of the fair value of his shares in the event of any of the following corporate actions:

(a) Consummation of a conversion or plan of merger to which the domestic corporation is a constituent entity:

(1) If approval by the stockholders is required for the conversion or merger by NRS 92A.120 to 92A.160, inclusive, or the articles of incorporation, regardless of whether the stockholder is entitled to vote on the conversion or plan of merger; or

(2) If the domestic corporation is a subsidiary and is merged with its parent pursuant to NRS 92A.180.

(b) Consummation of a plan of exchange to which the domestic corporation is a constituent entity as the corporation whose subject owner's interests will be acquired, if his shares are to be acquired in the plan of exchange.

(c) Any corporate action taken pursuant to a vote of the stockholders to the extent that the articles of incorporation, bylaws or a resolution of the board of directors provides that voting or nonvoting stockholders are entitled to dissent and obtain payment for their shares.

(d) Any corporate action not described in paragraph (a), (b) or (c) that will result in the stockholder receiving money or scrip instead of fractional shares ~~and~~ *except where the stockholder would not be entitled to receive such payment pursuant to NRS 78.205, 78.2055 or 78.207.*

2. A stockholder who is entitled to dissent and obtain payment pursuant to NRS 92A.300 to 92A.500, inclusive, may not challenge the corporate action creating his entitlement unless the action is unlawful or fraudulent with respect to him or the domestic corporation.

3. From and after the effective date of any corporate action described in subsection 1, no stockholder who has exercised his right to dissent pursuant to NRS 92A.300 to 92A.500, inclusive, is entitled to vote his shares for any purpose or to receive payment of dividends or any other distributions on shares. This subsection does not apply to dividends or other distributions payable to stockholders on a date before the effective date of any corporate action from which the stockholder has dissented.

Sec. 46. NRS 21.075 is hereby amended to read as follows:

21.075 1. Execution on the writ of execution by levying on the property of the judgment debtor may occur only if the sheriff



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1 serves the judgment debtor with a notice of the writ of execution
2 pursuant to NRS 21.076 and a copy of the writ. The notice must
3 describe the types of property exempt from execution and explain
4 the procedure for claiming those exemptions in the manner required
5 in subsection 2. The clerk of the court shall attach the notice to the
6 writ of execution at the time the writ is issued.

7 2. The notice required pursuant to subsection 1 must be
8 substantially in the following form:
9

10 NOTICE OF EXECUTION
11

12 YOUR PROPERTY IS BEING ATTACHED OR
13 YOUR WAGES ARE BEING GARNISHED
14

15 A court has determined that you owe money to
16 (name of person), the judgment creditor. He has
17 begun the procedure to collect that money by garnishing your
18 wages, bank account and other personal property held by
19 third persons or by taking money or other property in your
20 possession.

21 Certain benefits and property owned by you may be
22 exempt from execution and may not be taken from you. The
23 following is a partial list of exemptions:

24 1. Payments *for your individual support* received
25 pursuant to the federal Social Security Act, including, without
26 limitation, retirement and survivors' benefits, supplemental
27 security income benefits and disability insurance benefits.

28 2. Payments for benefits or the return of contributions
29 under the Public Employees' Retirement System.

30 3. Payments for public assistance granted through the
31 Division of Welfare and Supportive Services of the
32 Department of Health and Human Services or a local
33 governmental entity.

34 4. Proceeds from a policy of life insurance.

35 5. Payments of benefits under a program of industrial
36 insurance.

37 6. Payments received as disability, illness or
38 unemployment benefits.

39 7. Payments received as unemployment compensation.

40 8. Veteran's benefits.

41 9. A homestead in a dwelling or a mobile home, not to
42 exceed \$350,000, unless:

43 (a) The judgment is for a medical bill, in which case all of
44 the primary dwelling, including a mobile or manufactured
45 home, may be exempt.



(b) Allodial title has been established and not relinquished for the dwelling or mobile home, in which case all of the dwelling or mobile home and its appurtenances are exempt, including the land on which they are located, unless a valid waiver executed pursuant to NRS 115.010 is applicable to the judgment.

10. A vehicle, if your equity in the vehicle is less than \$15,000.

11. Seventy-five percent of the take-home pay for any workweek, unless the weekly take-home pay is less than 50 times the federal minimum hourly wage, in which case the entire amount may be exempt.

12. Money, not to exceed \$500,000 in present value, held in:

(a) An individual retirement arrangement which conforms with the applicable limitations and requirements of section 408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

(b) A written simplified employee pension plan which conforms with the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408;

(c) A cash or deferred arrangement that is a qualified plan pursuant to the Internal Revenue Code;

(d) A trust forming part of a stock bonus, pension or profit-sharing plan that is a qualified plan pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(e) A trust forming part of a qualified tuition program pursuant to chapter 353B of NRS, any applicable regulations adopted pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

13. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

14. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.



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1 15. A vehicle for use by you or your dependent which is
2 specially equipped or modified to provide mobility for a
3 person with a permanent disability.

4 16. A prosthesis or any equipment prescribed by a
5 physician or dentist for you or your dependent.

6 17. Payments, in an amount not to exceed \$16,150,
7 received as compensation for personal injury, not including
8 compensation for pain and suffering or actual pecuniary loss,
9 by the judgment debtor or by a person upon whom the
10 judgment debtor is dependent at the time the payment is
11 received.

12 18. Payments received as compensation for the wrongful
13 death of a person upon whom the judgment debtor was
14 dependent at the time of the wrongful death, to the extent
15 reasonably necessary for the support of the judgment debtor
16 and any dependent of the judgment debtor.

17 19. Payments received as compensation for the loss of
18 future earnings of the judgment debtor or of a person upon
19 whom the judgment debtor is dependent at the time the
20 payment is received, to the extent reasonably necessary for
21 the support of the judgment debtor and any dependent of the
22 judgment debtor.

23 20. Payments received as restitution for a criminal act.
24 ➤ These exemptions may not apply in certain cases such as a
25 proceeding to enforce a judgment for support of a person or a
26 judgment of foreclosure on a mechanic's lien. You should
27 consult an attorney immediately to assist you in determining
28 whether your property or money is exempt from execution. If
29 you cannot afford an attorney, you may be eligible for
30 assistance through (name of organization in
31 county providing legal services to indigent or elderly
32 persons).

33 34 PROCEDURE FOR CLAIMING EXEMPT PROPERTY 35

36 If you believe that the money or property taken from you
37 is exempt, you must complete and file with the clerk of the
38 court a notarized affidavit claiming the exemption. A copy of
39 the affidavit must be served upon the sheriff and the judgment
40 creditor within 8 days after the notice of execution is mailed.
41 The property must be returned to you within 5 days after you
42 file the affidavit unless you or the judgment creditor files a
43 motion for a hearing to determine the issue of exemption. If
44 this happens, a hearing will be held to determine whether the
45 property or money is exempt. The motion for the hearing to



determine the issue of exemption must be filed within 10 days after the affidavit claiming exemption is filed. The hearing to determine whether the property or money is exempt must be held within 10 days after the motion for the hearing is filed.

IF YOU DO NOT FILE THE AFFIDAVIT WITHIN THE TIME SPECIFIED, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE JUDGMENT CREDITOR, EVEN IF THE PROPERTY OR MONEY IS EXEMPT.

Sec. 47. NRS 21.090 is hereby amended to read as follows:

21.090 1. The following property is exempt from execution, except as otherwise specifically provided in this section or required by federal law:

(a) Private libraries, works of art, musical instruments and jewelry not to exceed \$5,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor, and all family pictures and keepsakes.

(b) Necessary household goods, furnishings, electronics, wearing apparel, other personal effects and yard equipment, not to exceed \$12,000 in value, belonging to the judgment debtor or a dependent of the judgment debtor, to be selected by the judgment debtor.

(c) Farm trucks, farm stock, farm tools, farm equipment, supplies and seed not to exceed \$4,500 in value, belonging to the judgment debtor to be selected by him.

(d) Professional libraries, equipment, supplies, and the tools, inventory, instruments and materials used to carry on the trade or business of the judgment debtor for the support of himself and his family not to exceed \$10,000 in value.

(e) The cabin or dwelling of a miner or prospector, his cars, implements and appliances necessary for carrying on any mining operations and his mining claim actually worked by him, not exceeding \$4,500 in total value.

(f) Except as otherwise provided in paragraph (o), one vehicle if the judgment debtor's equity does not exceed \$15,000 or the creditor is paid an amount equal to any excess above that equity.

(g) For any workweek, 75 percent of the disposable earnings of a judgment debtor during that week, or 50 times the minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. § 206(a)(1), and in effect at the time the earnings are payable, whichever is greater. Except as otherwise provided in paragraphs (n), (r) and (s), the exemption provided in this paragraph does not apply in the case of any order of a court of competent jurisdiction for the support of any person, any



1 order of a court of bankruptcy or of any debt due for any state or
2 federal tax. As used in this paragraph:

3 (1) "Disposable earnings" means that part of the earnings of
4 a judgment debtor remaining after the deduction from those earnings
5 of any amounts required by law to be withheld.

6 (2) "Earnings" means compensation paid or payable for
7 personal services performed by a judgment debtor in the regular
8 course of business, including, without limitation, compensation
9 designated as income, wages, tips, a salary, a commission or a
10 bonus. The term includes compensation received by a judgment
11 debtor that is in the possession of the judgment debtor,
12 compensation held in accounts maintained in a bank or any other
13 financial institution or, in the case of a receivable, compensation
14 that is due the judgment debtor.

15 (h) All fire engines, hooks and ladders, with the carts, trucks and
16 carriages, hose, buckets, implements and apparatus thereunto
17 appertaining, and all furniture and uniforms of any fire company or
18 department organized under the laws of this State.

19 (i) All arms, uniforms and accouterments required by law to be
20 kept by any person, and also one gun, to be selected by the debtor.

21 (j) All courthouses, jails, public offices and buildings, lots,
22 grounds and personal property, the fixtures, furniture, books, papers
23 and appurtenances belonging and pertaining to the courthouse, jail
24 and public offices belonging to any county of this State, all
25 cemeteries, public squares, parks and places, public buildings, town
26 halls, markets, buildings for the use of fire departments and military
27 organizations, and the lots and grounds thereto belonging and
28 appertaining, owned or held by any town or incorporated city, or
29 dedicated by the town or city to health, ornament or public use, or
30 for the use of any fire or military company organized under the laws
31 of this State and all lots, buildings and other school property owned
32 by a school district and devoted to public school purposes.

33 (k) All money, benefits, privileges or immunities accruing or in
34 any manner growing out of any life insurance, if the annual
35 premium paid does not exceed \$15,000. If the premium exceeds that
36 amount, a similar exemption exists which bears the same proportion
37 to the money, benefits, privileges and immunities so accruing or
38 growing out of the insurance that the \$15,000 bears to the whole
39 annual premium paid.

40 (l) The homestead as provided for by law, including a
41 homestead for which allodial title has been established and not
42 relinquished and for which a waiver executed pursuant to NRS
43 115.010 is not applicable.

44 (m) The dwelling of the judgment debtor occupied as a home for
45 himself and family, where the amount of equity held by the



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1 judgment debtor in the home does not exceed \$350,000 in value and
2 the dwelling is situated upon lands not owned by him.

3 (n) All property in this State of the judgment debtor where the
4 judgment is in favor of any state for failure to pay that state's
5 income tax on benefits received from a pension or other retirement
6 plan.

7 (o) Any vehicle owned by the judgment debtor for use by him or
8 his dependent that is equipped or modified to provide mobility for a
9 person with a permanent disability.

10 (p) Any prosthesis or equipment prescribed by a physician or
11 dentist for the judgment debtor or a dependent of the debtor.

12 (q) Money, not to exceed \$500,000 in present value, held in:

13 (1) An individual retirement arrangement which conforms
14 with the applicable limitations and requirements of section 408 or
15 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

16 (2) A written simplified employee pension plan which
17 conforms with the applicable limitations and requirements of section
18 408 of the Internal Revenue Code, 26 U.S.C. § 408;

19 (3) A cash or deferred arrangement which is a qualified plan
20 pursuant to the Internal Revenue Code;

21 (4) A trust forming part of a stock bonus, pension or profit-
22 sharing plan which is a qualified plan pursuant to sections 401 et
23 seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

24 (5) A trust forming part of a qualified tuition program
25 pursuant to chapter 353B of NRS, any applicable regulations
26 adopted pursuant to chapter 353B of NRS and section 529 of the
27 Internal Revenue Code, 26 U.S.C. § 529, unless the money is
28 deposited after the entry of a judgment against the purchaser or
29 account owner or the money will not be used by any beneficiary to
30 attend a college or university.

31 (r) All money and other benefits paid pursuant to the order of a
32 court of competent jurisdiction for the support, education and
33 maintenance of a child, whether collected by the judgment debtor or
34 the State.

35 (s) All money and other benefits paid pursuant to the order of a
36 court of competent jurisdiction for the support and maintenance of a
37 former spouse, including the amount of any arrearages in the
38 payment of such support and maintenance to which the former
39 spouse may be entitled.

40 (t) Payments, in an amount not to exceed \$16,150, received as
41 compensation for personal injury, not including compensation for
42 pain and suffering or actual pecuniary loss, by the judgment debtor
43 or by a person upon whom the judgment debtor is dependent at the
44 time the payment is received.



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(u) Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(v) Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

(w) Payments received as restitution for a criminal act.

(x) Payments *for individual support* received pursuant to the federal Social Security Act, including, without limitation, retirement and survivors' benefits, supplemental security income benefits and disability insurance benefits.

2. Except as otherwise provided in NRS 115.010, no article or species of property mentioned in this section is exempt from execution issued upon a judgment to recover for its price, or upon a judgment of foreclosure of a mortgage or other lien thereon.

3. Any exemptions specified in subsection (d) of section 522 of the Bankruptcy Act of 1978, 11 U.S.C. § 522(d), do not apply to property owned by a resident of this State unless conferred also by subsection 1, as limited by subsection 2.

Sec. 48. NRS 31.045 is hereby amended to read as follows:

31.045 1. Execution on the writ of attachment by attaching property of the defendant may occur only if:

(a) The judgment creditor serves the defendant with notice of the execution when the notice of the hearing is served pursuant to NRS 31.013; or

(b) Pursuant to an ex parte hearing, the sheriff serves upon the judgment debtor notice of the execution and a copy of the writ at the same time and in the same manner as set forth in NRS 21.076.

➤ If the attachment occurs pursuant to an ex parte hearing, the clerk of the court shall attach the notice to the writ of attachment at the time the writ is issued.

2. The notice required pursuant to subsection 1 must be substantially in the following form:

NOTICE OF EXECUTION

YOUR PROPERTY IS BEING ATTACHED OR
YOUR WAGES ARE BEING GARNISHED

Plaintiff, (name of person), alleges that you owe him money. He has begun the procedure to collect that



1 money. To secure satisfaction of judgment the court has
2 ordered the garnishment of your wages, bank account or other
3 personal property held by third persons or the taking of
4 money or other property in your possession.

5 Certain benefits and property owned by you may be
6 exempt from execution and may not be taken from you. The
7 following is a partial list of exemptions:

8 1. Payments *for your individual support* received
9 pursuant to the federal Social Security Act, including, without
10 limitation, retirement and survivors' benefits, supplemental
11 security income benefits and disability insurance benefits.

12 2. Payments for benefits or the return of contributions
13 under the Public Employees' Retirement System.

14 3. Payments for public assistance granted through the
15 Division of Welfare and Supportive Services of the
16 Department of Health and Human Services or a local
17 governmental entity.

18 4. Proceeds from a policy of life insurance.

19 5. Payments of benefits under a program of industrial
20 insurance.

21 6. Payments received as disability, illness or
22 unemployment benefits.

23 7. Payments received as unemployment compensation.

24 8. Veteran's benefits.

25 9. A homestead in a dwelling or a mobile home, not to
26 exceed \$350,000, unless:

27 (a) The judgment is for a medical bill, in which case all of
28 the primary dwelling, including a mobile or manufactured
29 home, may be exempt.

30 (b) Allodial title has been established and not relinquished
31 for the dwelling or mobile home, in which case all of the
32 dwelling or mobile home and its appurtenances are exempt,
33 including the land on which they are located, unless a valid
34 waiver executed pursuant to NRS 115.010 is applicable to the
35 judgment.

36 10. A vehicle, if your equity in the vehicle is less than
37 \$15,000.

38 11. Seventy-five percent of the take-home pay for any
39 workweek, unless the weekly take-home pay is less than 50
40 times the federal minimum hourly wage, in which case the
41 entire amount may be exempt.

42 12. Money, not to exceed \$500,000 in present value,
43 held in:

44 (a) An individual retirement arrangement which conforms
45 with the applicable limitations and requirements of section



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408 or 408A of the Internal Revenue Code, 26 U.S.C. §§ 408 and 408A;

(b) A written simplified employee pension plan which conforms with the applicable limitations and requirements of section 408 of the Internal Revenue Code, 26 U.S.C. § 408;

(c) A cash or deferred arrangement that is a qualified plan pursuant to the Internal Revenue Code;

(d) A trust forming part of a stock bonus, pension or profit-sharing plan that is a qualified plan pursuant to sections 401 et seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

(e) A trust forming part of a qualified tuition program pursuant to chapter 353B of NRS, any applicable regulations adopted pursuant to chapter 353B of NRS and section 529 of the Internal Revenue Code, 26 U.S.C. § 529, unless the money is deposited after the entry of a judgment against the purchaser or account owner or the money will not be used by any beneficiary to attend a college or university.

13. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support, education and maintenance of a child, whether collected by the judgment debtor or the State.

14. All money and other benefits paid pursuant to the order of a court of competent jurisdiction for the support and maintenance of a former spouse, including the amount of any arrearages in the payment of such support and maintenance to which the former spouse may be entitled.

15. A vehicle for use by you or your dependent which is specially equipped or modified to provide mobility for a person with a permanent disability.

16. A prosthesis or any equipment prescribed by a physician or dentist for you or your dependent.

17. Payments, in an amount not to exceed \$16,150, received as compensation for personal injury, not including compensation for pain and suffering or actual pecuniary loss, by the judgment debtor or by a person upon whom the judgment debtor is dependent at the time the payment is received.

18. Payments received as compensation for the wrongful death of a person upon whom the judgment debtor was dependent at the time of the wrongful death, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

19. Payments received as compensation for the loss of future earnings of the judgment debtor or of a person upon



whom the judgment debtor is dependent at the time the payment is received, to the extent reasonably necessary for the support of the judgment debtor and any dependent of the judgment debtor.

20. Payments received as restitution for a criminal act.

↳ These exemptions may not apply in certain cases such as proceedings to enforce a judgment for support of a child or a judgment of foreclosure on a mechanic's lien. You should consult an attorney immediately to assist you in determining whether your property or money is exempt from execution. If you cannot afford an attorney, you may be eligible for assistance through (name of organization in county providing legal services to the indigent or elderly persons).

PROCEDURE FOR CLAIMING EXEMPT PROPERTY

If you believe that the money or property taken from you is exempt or necessary for the support of you or your family, you must file with the clerk of the court on a form provided by the clerk a notarized affidavit claiming the exemption. A copy of the affidavit must be served upon the sheriff and the judgment creditor within 8 days after the notice of execution is mailed. The property must be returned to you within 5 days after you file the affidavit unless the judgment creditor files a motion for a hearing to determine the issue of exemption. If this happens, a hearing will be held to determine whether the property or money is exempt. The hearing must be held within 10 days after the motion for a hearing is filed.

IF YOU DO NOT FILE THE AFFIDAVIT WITHIN THE TIME SPECIFIED, YOUR PROPERTY MAY BE SOLD AND THE MONEY GIVEN TO THE JUDGMENT CREDITOR, EVEN IF THE PROPERTY OR MONEY IS EXEMPT.

If you received this notice with a notice of a hearing for attachment and you believe that the money or property which would be taken from you by a writ of attachment is exempt or necessary for the support of you or your family, you are entitled to describe to the court at the hearing why you believe your property is exempt. You may also file a motion with the court for a discharge of the writ of attachment. You may make that motion any time before trial. A hearing will be held on that motion.



1 IF YOU DO NOT FILE THE MOTION BEFORE
2 THE TRIAL, YOUR PROPERTY MAY BE SOLD AND
3 THE MONEY GIVEN TO THE PLAINTIFF, EVEN IF THE
4 PROPERTY OR MONEY IS EXEMPT OR NECESSARY
5 FOR THE SUPPORT OF YOU OR YOUR FAMILY.

6 **Sec. 49.** NRS 104.9501 is hereby amended to read as follows:

7 104.9501 1. Except as otherwise provided in subsection 2, if
8 the law of this State governs perfection of a security interest or
9 agricultural lien, the office in which to file a financing statement to
10 perfect the security interest or agricultural lien is:

11 (a) The office designated for the filing or recording of a
12 mortgage on the real property, if:

13 (1) The collateral is as-extracted collateral or timber to be
14 cut; or

15 (2) The financing statement is filed as a fixture filing and the
16 collateral is goods that are or are to become fixtures; or

17 (b) The office of the Secretary of State in all other cases,
18 including a case in which the collateral is goods that are or are to
19 become fixtures and the financing statement is not filed as a fixture
20 filing.

21 2. The office in which to file a financing statement to perfect a
22 security interest in collateral, including fixtures, of a transmitting
23 utility is the office of the Secretary of State. ~~[for the county recorder~~
24 ~~of the appropriate county, as determined pursuant to chapter 105 of~~
25 ~~NRS.]~~ The financing statement also constitutes a fixture filing as to
26 the collateral indicated in the financing statement which is or is to
27 become fixtures.

28 **Sec. 50.** NRS 107.080 is hereby amended to read as follows:

29 107.080 1. Except as otherwise provided in NRS 107.085, if
30 any transfer in trust of any estate in real property is made after
31 March 29, 1927, to secure the performance of an obligation or the
32 payment of any debt, a power of sale is hereby conferred upon the
33 trustee to be exercised after a breach of the obligation for which
34 the transfer is security.

35 2. The power of sale must not be exercised, however, until:

36 (a) In the case of any trust agreement coming into force:

37 (1) On or after July 1, 1949, and before July 1, 1957, the
38 grantor, or his successor in interest, a beneficiary under a
39 subordinate deed of trust or any other person who has a subordinate
40 lien or encumbrance of record on the property, has for a period of 15
41 days, computed as prescribed in subsection 3, failed to make good
42 the deficiency in performance or payment; or

43 (2) On or after July 1, 1957, the grantor, or his successor in
44 interest, a beneficiary under a subordinate deed of trust or any other
45 person who has a subordinate lien or encumbrance of record on the



1 property, has for a period of 35 days, computed as prescribed in
2 subsection 3, failed to make good the deficiency in performance or
3 payment;

4 (b) The beneficiary, the successor in interest of the beneficiary
5 or the trustee first executes and causes to be recorded in the office of
6 the recorder of the county wherein the trust property, or some part
7 thereof, is situated a notice of the breach and of his election to sell
8 or cause to be sold the property to satisfy the obligation; and

9 (c) Not less than 3 months have elapsed after the recording of
10 the notice.

11 3. The 15- or 35-day period provided in paragraph (a) of
12 subsection 2 commences on the first day following the day upon
13 which the notice of default and election to sell is recorded in the
14 office of the county recorder of the county in which the property is
15 located and a copy of the notice of default and election to sell is
16 mailed by registered or certified mail, return receipt requested and
17 with postage prepaid to the grantor, and to the person who holds the
18 title of record on the date the notice of default and election to sell is
19 recorded, at their respective addresses, if known, otherwise to the
20 address of the trust property. The notice of default and election to
21 sell must describe the deficiency in performance or payment and
22 may contain a notice of intent to declare the entire unpaid balance
23 due if acceleration is permitted by the obligation secured by the
24 deed of trust, but acceleration must not occur if the deficiency in
25 performance or payment is made good and any costs, fees and
26 expenses incident to the preparation or recordation of the notice and
27 incident to the making good of the deficiency in performance or
28 payment are paid within the time specified in subsection 2.

29 4. The trustee, or other person authorized to make the sale
30 under the terms of the trust deed or transfer in trust, shall, after
31 expiration of the 3-month period following the recording of the
32 notice of breach and election to sell, and before the making of the
33 sale, give notice of the time and place thereof by recording
34 the notice of sale and by:

35 (a) Providing the notice to each trustor and any other person
36 entitled to notice pursuant to this section by personal service or by
37 mailing the notice by registered or certified mail to the last known
38 address of the trustor and any other person entitled to such notice
39 pursuant to this section;

40 (b) Posting a similar notice particularly describing the property,
41 for 20 days successively, in three public places of the township or
42 city where the property is situated and where the property is to be
43 sold; and



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(c) Publishing a copy of the notice three times, once each week for 3 consecutive weeks, in a newspaper of general circulation in the county where the property is situated.

5. Every sale made under the provisions of this section and other sections of this chapter vests in the purchaser the title of the grantor and his successors in interest without equity or right of redemption. A ~~[person who purchases property pursuant to this section is not a bona fide purchaser, and the]~~ sale *made pursuant to this section* may be declared void *by any court of competent jurisdiction in the county where the sale took place* if ~~[the]~~ :

(a) The trustee or other person authorized to make the sale does not substantially comply with the provisions of this section ~~[]~~ ;

(b) *Except as otherwise provided in subsection 6, an action is commenced in the county where the sale took place within 90 days after the date of the sale; and*

(c) *A notice of lis pendens providing notice of the pendency of the action is recorded in the office of the county recorder of the county where the sale took place within 30 days after commencement of the action.*

6. *If proper notice is not provided pursuant to subsection 3 or paragraph (a) of subsection 4 to the grantor, to the person who holds the title of record on the date the notice of default and election to sell is recorded, to each trustor or to any other person entitled to such notice, the person who did not receive such proper notice may commence an action pursuant to subsection 5 within 120 days after the date on which the person received actual notice of the sale.*

7. The sale of a lease of a dwelling unit of a cooperative housing corporation vests in the purchaser title to the shares in the corporation which accompany the lease.

Sec. 51. (Deleted by amendment.)

Sec. 52. NRS 87.003 is hereby repealed.

TEXT OF REPEALED SECTION

87.003 “Professional service” defined. “Professional service” means any type of personal service that may legally be performed only pursuant to a license or certificate of registration.

