

ASSEMBLY BILL NO. 78—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED DECEMBER 15, 2010

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to business.
(BDR 7-403)

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

~

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

AN ACT relating to business associations; excluding certain nonprofit organizations from the definition of “business”; revising provisions relating to certain filings with the Secretary of State by certain business associations; making various technical corrections to various provisions relating to business associations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law defines “business” for the purposes of statutes governing state business licenses. (NRS 76.020) **Section 1** of this bill amends the definition to exclude certain nonprofit organizations.

Existing law provides for a fine against certain business associations purporting to do business in this State that willfully fail or neglect to comply with certain requirements for qualification to do business in this State. (NRS 78.047, 80.055, 82.5234, 86.213, 86.548, 87.445, 87.5405, 87A.237, 87A.610, 87A.632, 87A.652, 88.352, 88.600, 88.6062, 88.6087, 88A.215, 88A.750, 89.215) **Sections 4, 6, 8, 9 and 11-24** of this bill eliminate the element of neglect from these provisions.

Sections 5, 7 and 10 of this bill revise the list of items that certain business associations must file with the Secretary of State.



* A B 7 8 R 1 *

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

- 1 **Section 1.** NRS 76.020 is hereby amended to read as follows:
2 76.020 1. Except as otherwise provided in subsection 2,
3 “business” means:
4 (a) Any person, except a natural person, that performs a service
5 or engages in a trade for profit;
6 (b) Any natural person who performs a service or engages in a
7 trade for profit if the person is required to file with the Internal
8 Revenue Service a Schedule C (Form 1040), Profit or Loss From
9 Business Form, or its equivalent or successor form, a Schedule E
10 (Form 1040), Supplemental Income and Loss Form, or its
11 equivalent or successor form, or a Schedule F (Form 1040), Profit or
12 Loss From Farming Form, or its equivalent or successor form, for
13 that activity; or
14 (c) Any entity organized pursuant to this title, including, without
15 limitation, those entities required to file with the Secretary of State,
16 whether or not the entity performs a service or engages in a business
17 for profit.
18 2. The term does not include:
19 (a) A governmental entity.
20 (b) A nonprofit religious, charitable, fraternal or other
21 organization that qualifies as a tax-exempt organization pursuant to
22 26 U.S.C. § 501(c).
23 (c) A *natural* person who operates a business from his or her
24 ~~home~~ *personal residence* and whose net earnings from that
25 business are not more than 66 2/3 percent of the average annual
26 wage, as computed for the preceding calendar year pursuant to
27 chapter 612 of NRS and rounded to the nearest hundred dollars.
28 (d) A natural person whose sole business is the rental of four or
29 fewer dwelling units to others.
30 (e) A business whose primary purpose is to create or produce
31 motion pictures. As used in this paragraph, “motion pictures” has
32 the meaning ascribed to it in NRS 231.020.
33 (f) A business organized pursuant to chapter 82 or 84 of NRS.
34 (g) *A nonprofit organization without shares of stock formed*
35 *pursuant to chapter 81 of NRS.*
36 (h) *A foreign nonprofit organization without shares of stock*
37 *registered pursuant to chapter 80 of NRS.*
38 **Sec. 2.** (Deleted by amendment.)
39 **Sec. 3.** (Deleted by amendment.)
40 **Sec. 4.** NRS 78.047 is hereby amended to read as follows:
41 78.047 1. Every person, other than a corporation organized
42 and existing pursuant to the laws of another state, territory, the



* A B 7 8 R 1 *

1 District of Columbia, a possession of the United States or a foreign
2 country, who is purporting to do business in this State as a
3 corporation and who willfully fails ~~{or neglects}~~ to file with the
4 Secretary of State articles of incorporation is subject to a fine of not
5 less than \$1,000 but not more than \$10,000, to be recovered in a
6 court of competent jurisdiction.

7 2. When the Secretary of State is advised that a person is
8 subject to the fine described in subsection 1, the Secretary of State
9 may, as soon as practicable, instruct the district attorney of the
10 county in which the person's principal place of business is located
11 or the Attorney General, or both, to institute proceedings to recover
12 the fine. If the district attorney or the Attorney General prevails in a
13 proceeding to recover the fine described in subsection 1, the district
14 attorney or the Attorney General is entitled to recover the costs of
15 the proceeding, including, without limitation, the cost of any
16 investigation and reasonable attorney's fees.

17 3. The Secretary of State may adopt regulations to administer
18 the provisions of this section.

19 **Sec. 5.** NRS 80.010 is hereby amended to read as follows:

20 80.010 1. Before commencing or doing any business in this
21 State, each corporation organized pursuant to the laws of another
22 state, territory, the District of Columbia, a possession of the United
23 States or a foreign country that enters this State to do business must:

24 (a) File in the Office of the Secretary of State of this State:

25 (1) ~~{A certificate of corporate existence issued not more than
26 90 days before the date of filing by an authorized officer of the
27 jurisdiction of its incorporation setting forth the filing of records and
28 instruments related to the articles of incorporation, or the
29 governmental acts or other instrument or authority by which the
30 corporation was created. If the certificate is in a language other than
31 English, a translation, together with the oath of the translator and his
32 or her attestation of its accuracy, must be attached to the certificate.~~

33 ~~—(2)}~~ The information required pursuant to NRS 77.310. The
34 street address of the registered agent is the registered office of the
35 corporation in this State.

36 ~~{(3)}~~ (2) A statement signed by an officer of the corporation
37 setting forth:

38 (I) A general description of the purposes of the
39 corporation; ~~{and}~~

40 (II) The authorized stock of the corporation and the
41 number and par value of shares having par value and the number of
42 shares having no par value ~~{;}~~;

43 (III) *A declaration of the existence of the corporation
44 and the name of the jurisdiction of its incorporation, or the*



1 *governmental acts or other instrument or authority by which the*
2 *corporation was created; and*

3 *(IV) A declaration that the corporation is in good*
4 *standing in the jurisdiction of its incorporation or creation, as*
5 *applicable.*

6 (b) Lodge in the Office of the Secretary of State a copy of the
7 record most recently filed by the corporation in the jurisdiction of its
8 incorporation setting forth the authorized stock of the corporation,
9 the number of par-value shares and their par value, and the number
10 of no-par-value shares.

11 2. The Secretary of State shall not file the records required by
12 subsection 1 for any foreign corporation whose name is not
13 distinguishable on the records of the Secretary of State from the
14 names of all other artificial persons formed, organized, registered or
15 qualified pursuant to the provisions of this title that are on file in the
16 Office of the Secretary of State and all names that are reserved in
17 the Office of the Secretary of State pursuant to the provisions of this
18 title, unless the written, acknowledged consent of the holder of the
19 name on file or reserved name to use the same name or the
20 requested similar name accompanies the articles of incorporation.

21 3. For the purposes of this section and NRS 80.012, a proposed
22 name is not distinguishable from a name on file or reserved solely
23 because one or the other names contains distinctive lettering, a
24 distinctive mark, a trademark or trade name, or any combination
25 thereof.

26 4. The name of a foreign corporation whose charter has been
27 revoked, which has merged and is not the surviving entity or whose
28 existence has otherwise terminated is available for use by any other
29 artificial person.

30 5. The Secretary of State shall not accept for filing the records
31 required by subsection 1 or NRS 80.110 for any foreign corporation
32 if the name of the corporation contains the words "engineer,"
33 "engineered," "engineering," "professional engineer," "registered
34 engineer" or "licensed engineer" unless the State Board of
35 Professional Engineers and Land Surveyors certifies that:

36 (a) The principals of the corporation are licensed to practice
37 engineering pursuant to the laws of this State; or

38 (b) The corporation is exempt from the prohibitions of
39 NRS 625.520.

40 6. The Secretary of State shall not accept for filing the records
41 required by subsection 1 or NRS 80.110 for any foreign corporation
42 if the name of the corporation contains the words "architect,"
43 "architecture," "registered architect," "licensed architect,"
44 "registered interior designer," "registered interior design,"
45 "residential designer," "registered residential designer," "licensed



* A B 7 8 R 1 *

1 residential designer” or “residential design” unless the State Board
2 of Architecture, Interior Design and Residential Design certifies
3 that:

4 (a) The principals of the corporation are holders of a certificate
5 of registration to practice architecture or residential design or to
6 practice as a registered interior designer, as applicable, pursuant to
7 the laws of this State; or

8 (b) The corporation is qualified to do business in this State
9 pursuant to NRS 623.349.

10 7. The Secretary of State shall not accept for filing the records
11 required by subsection 1 or NRS 80.110 for any foreign corporation
12 if it appears from the records that the business to be carried on by
13 the corporation is subject to supervision by the Commissioner of
14 Financial Institutions, unless the Commissioner certifies that:

15 (a) The corporation has obtained the authority required to do
16 business in this State; or

17 (b) The corporation is not subject to or is exempt from the
18 requirements for obtaining such authority.

19 8. The Secretary of State shall not accept for filing the records
20 required by subsection 1 or NRS 80.110 for any foreign corporation
21 if the name of the corporation contains the word “accountant,”
22 “accounting,” “accountancy,” “auditor” or “auditing” unless the
23 Nevada State Board of Accountancy certifies that the foreign
24 corporation:

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

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

31 9. The Secretary of State may adopt regulations that interpret
32 the requirements of this section.

33 **Sec. 6.** NRS 80.055 is hereby amended to read as follows:

34 80.055 1. Every corporation which willfully fails ~~for~~
35 ~~neglects~~ to comply with the provisions of NRS 80.010 to 80.040,
36 inclusive, is subject to a fine of not less than \$1,000 but not more
37 than \$10,000, to be recovered in a court of competent jurisdiction.

38 2. Except as otherwise provided in subsection 3, every
39 corporation which fails or neglects to comply with the provisions of
40 NRS 80.010 to 80.040, inclusive, may not commence or maintain
41 any action or proceeding in any court of this State until it has fully
42 complied with the provisions of NRS 80.010 to 80.040, inclusive.

43 3. An action or proceeding may be commenced by such a
44 corporation if an extraordinary remedy available pursuant to chapter
45 31 of NRS is all or part of the relief sought. Such an action or



1 proceeding must be dismissed without prejudice if the corporation
2 does not comply with the provisions of NRS 80.010 to 80.040,
3 inclusive, within 45 days after the action or proceeding is
4 commenced.

5 4. When the Secretary of State is advised that a corporation is
6 doing business in contravention of NRS 80.010 to 80.040, inclusive,
7 the Secretary of State may, as soon as practicable, instruct the
8 district attorney of the county where the corporation has its principal
9 place of business or the Attorney General, or both, to institute
10 proceedings to recover any applicable fine provided for in this
11 section. If the district attorney or the Attorney General prevails in a
12 proceeding to recover the fine described in subsection 1, the district
13 attorney or the Attorney General is entitled to recover the costs of
14 the proceeding, including, without limitation, the cost of any
15 investigation and reasonable attorney's fees.

16 5. The failure of a corporation to comply with the provisions of
17 NRS 80.010 to 80.040, inclusive, does not impair the validity of any
18 contract or act of the corporation, or prevent the corporation from
19 defending any action, suit or proceeding in any court of this State.

20 6. The Secretary of State may adopt regulations to administer
21 the provisions of this section.

22 **Sec. 7.** NRS 80.110 is hereby amended to read as follows:

23 80.110 1. Each foreign corporation doing business in this
24 State shall, on or before the last day of the first month after the filing
25 of ~~its certificate of corporate existence~~ *the records required by*
26 *this subsection or NRS 80.010* with the Secretary of State, and
27 annually thereafter on or before the last day of the month in which
28 the anniversary date of its qualification to do business in this State
29 occurs in each year, file with the Secretary of State a list, on a form
30 furnished by the Secretary of State, that contains:

31 (a) The names and addresses, either residence or business, of its
32 president, secretary and treasurer, or the equivalent thereof, and all
33 of its directors;

34 (b) The information required pursuant to NRS 77.310; and

35 (c) The signature of an officer of the corporation.

36 2. Each list filed pursuant to subsection 1 must be accompanied
37 by:

38 (a) A declaration under penalty of perjury that the foreign
39 corporation has complied with the provisions of chapter 76 of NRS
40 and which acknowledges that pursuant to NRS 239.330, it is a
41 category C felony to knowingly offer any false or forged instrument
42 for filing with the Office of the Secretary of State.

43 (b) A statement as to whether the foreign corporation is a
44 publicly traded company. If the corporation is a publicly traded
45 company, the corporation must list its Central Index Key. The



1 Secretary of State shall include on the Secretary of State's Internet
2 website the Central Index Key of a corporation provided pursuant to
3 this subsection and instructions describing the manner in which a
4 member of the public may obtain information concerning the
5 corporation from the Securities and Exchange Commission.

6 3. Upon filing:

7 (a) The initial list required by subsection 1, the corporation shall
8 pay to the Secretary of State a fee of \$125.

9 (b) Each annual list required by subsection 1, the corporation
10 shall pay to the Secretary of State, if the amount represented by the
11 total number of shares provided for in the articles is:

12		
13	\$75,000 or less	\$125
14	Over \$75,000 and not over \$200,000	175
15	Over \$200,000 and not over \$500,000	275
16	Over \$500,000 and not over \$1,000,000	375
17	Over \$1,000,000:	

18 For the first \$1,000,000.....375

19 For each additional \$500,000 or fraction thereof.....275

20 ➔ The maximum fee which may be charged pursuant to paragraph
21 (b) for filing the annual list is \$11,100.

22
23 4. If a director or officer of a corporation resigns and the
24 resignation is not reflected on the annual or amended list of directors
25 and officers, the corporation or the resigning director or officer shall
26 pay to the Secretary of State a fee of \$75 to file the resignation.

27 5. The Secretary of State shall, 90 days before the last day for
28 filing each annual list required by subsection 1, provide to each
29 corporation which is required to comply with the provisions of NRS
30 80.110 to 80.175, inclusive, and which has not become delinquent, a
31 notice of the fee due pursuant to subsection 3 and a reminder to file
32 the list pursuant to subsection 1. Failure of any corporation to
33 receive a notice does not excuse it from the penalty imposed by the
34 provisions of NRS 80.110 to 80.175, inclusive.

35 6. An annual list for a corporation not in default which is
36 received by the Secretary of State more than 90 days before its due
37 date shall be deemed an amended list for the previous year and does
38 not satisfy the requirements of subsection 1 for the year to which the
39 due date is applicable.

40 **Sec. 8.** NRS 82.5234 is hereby amended to read as follows:

41 82.5234 1. Every foreign nonprofit corporation which is
42 doing business in this State and which willfully fails ~~for neglects~~ to
43 qualify to do business in this State in accordance with the laws of
44 this State is subject to a fine of not less than \$1,000 but not more
45 than \$10,000, to be recovered in a court of competent jurisdiction.



2. Except as otherwise provided in subsection 3, every foreign nonprofit corporation which is doing business in this State and which fails or neglects to qualify to do business in this State in accordance with the laws of this State may not commence or maintain any action or proceeding in any court of this State until it has qualified to do business in this State.

3. An action or proceeding may be commenced by such a corporation if an extraordinary remedy available pursuant to chapter 31 of NRS is all or part of the relief sought. Such an action or proceeding must be dismissed without prejudice if the corporation does not qualify to do business in this State within 45 days after the action or proceeding is commenced.

4. When the Secretary of State is advised that a foreign nonprofit corporation is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county where the foreign nonprofit corporation has its principal place of business or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

5. The failure of a foreign nonprofit corporation to qualify to do business in this State in accordance with the laws of this State does not impair the validity of any contract or act of the corporation, or prevent the corporation from defending any action, suit or proceeding in any court of this State.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 9. NRS 86.213 is hereby amended to read as follows:

86.213 1. Every person, other than a foreign limited-liability company, who is purporting to do business in this State as a limited-liability company and who willfully fails ~~for neglects~~ to file with the Secretary of State articles of organization is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of



1 the proceeding, including, without limitation, the cost of any
2 investigation and reasonable attorney's fees.

3 3. The Secretary of State may adopt regulations to administer
4 the provisions of this section.

5 **Sec. 10.** NRS 86.544 is hereby amended to read as follows:

6 86.544 Before transacting business in this State, a foreign
7 limited-liability company must register with the Secretary of State.
8 In order to register, a foreign limited-liability company must submit
9 to the Secretary of State an application for registration as a foreign
10 limited-liability company, signed by a manager of the company or,
11 if management is not vested in a manager, a member of the
12 company. The application for registration must set forth:

13 1. The name of the foreign limited-liability company and, if
14 different, the name under which it proposes to register and transact
15 business in this State;

16 2. The ~~[state]~~ *jurisdiction* and date of its formation;

17 3. *A declaration of the existence of the foreign limited-*
18 *liability company;*

19 4. *A declaration that the foreign limited-liability company is*
20 *in good standing in the jurisdiction of its formation;*

21 5. The information required pursuant to NRS 77.310;

22 ~~[4.]~~ 6. A statement that the Secretary of State is appointed the
23 agent of the foreign limited-liability company for service of process
24 if the authority of the registered agent has been revoked, or if the
25 registered agent has resigned or cannot be found or served with the
26 exercise of reasonable diligence;

27 ~~[5.]~~ 7. The address of the office required to be maintained in
28 the state of its organization by the laws of that state or, if not so
29 required, of the principal office of the foreign limited-liability
30 company;

31 ~~[6.]~~ 8. The name and business address of each manager or, if
32 management is not vested in a manager, each member;

33 ~~[7.]~~ 9. The address of the office at which is kept a list of the
34 names and addresses of the members and their capital contributions,
35 together with an undertaking by the foreign limited-liability
36 company to keep those records until the registration in this State of
37 the foreign limited-liability company is cancelled or withdrawn; and

38 ~~[8.]~~ 10. If the foreign limited-liability company has one or
39 more series of members and if the debts or liabilities of a series are
40 enforceable against the assets of that series only and not against the
41 assets of the company generally or another series, a statement to that
42 effect.

43 **Sec. 11.** NRS 86.548 is hereby amended to read as follows:

44 86.548 1. Every foreign limited-liability company transacting
45 business in this State which willfully fails ~~[or neglects]~~ to register



* A B 7 8 R 1 *

1 with the Secretary of State in accordance with the provisions of
2 NRS 86.544 is subject to a fine of not less than \$1,000 but not more
3 than \$10,000, to be recovered in a court of competent jurisdiction.

4 2. Every foreign limited-liability company transacting business
5 in this State which fails or neglects to register with the Secretary of
6 State in accordance with the provisions of NRS 86.544 may not
7 commence or maintain any action, suit or proceeding in any court of
8 this State until it has registered with the Secretary of State.

9 3. The failure of a foreign limited-liability company to register
10 with the Secretary of State does not impair the validity of any
11 contract or act of the foreign limited-liability company, or prevent
12 the foreign limited-liability company from defending any action,
13 suit or proceeding in any court of this State.

14 4. When the Secretary of State is advised that a foreign limited-
15 liability company is subject to the fine described in subsection 1, the
16 Secretary of State may, as soon as practicable, instruct the district
17 attorney of the county where the foreign limited-liability company
18 has its principal place of business or the Attorney General, or both,
19 to institute proceedings to recover the fine. If the district attorney or
20 the Attorney General prevails in a proceeding to recover the fine
21 described in subsection 1, the district attorney or the Attorney
22 General is entitled to recover the costs of the proceeding, including,
23 without limitation, the cost of any investigation and reasonable
24 attorney's fees.

25 5. A foreign limited-liability company, by transacting business
26 in this State without registering with the Secretary of State, appoints
27 the Secretary of State as its agent for service of process with respect
28 to causes of action arising out of the transaction of business in this
29 State by the foreign limited-liability company.

30 6. The Secretary of State may adopt regulations to administer
31 the provisions of this section.

32 **Sec. 12.** NRS 87.445 is hereby amended to read as follows:

33 87.445 1. Every person, other than a foreign registered
34 limited-liability partnership, who is purporting to do business in this
35 State as a registered limited-liability partnership and who willfully
36 fails ~~for neglects~~ to file with the Secretary of State a certificate of
37 registration is subject to a fine of not less than \$1,000 but not more
38 than \$10,000, to be recovered in a court of competent jurisdiction.

39 2. When the Secretary of State is advised that a person is
40 subject to the fine described in subsection 1, the Secretary of State
41 may, as soon as practicable, instruct the district attorney of the
42 county in which the person's principal place of business is located
43 or the Attorney General, or both, to institute proceedings to recover
44 the fine. If the district attorney or the Attorney General prevails in a
45 proceeding to recover the fine described in subsection 1, the district



1 attorney or the Attorney General is entitled to recover the costs of
2 the proceeding, including, without limitation, the cost of any
3 investigation and reasonable attorney's fees.

4 3. The Secretary of State may adopt regulations to administer
5 the provisions of this section.

6 **Sec. 13.** NRS 87.5405 is hereby amended to read as follows:

7 87.5405 1. Every foreign registered limited-liability
8 partnership which is doing business in this State and which willfully
9 fails ~~for neglects~~ to register with the Secretary of State pursuant to
10 NRS 87.440 to 87.500, inclusive, and 87.541 to 87.544, inclusive, is
11 subject to a fine of not less than \$1,000 but not more than \$10,000,
12 to be recovered in a court of competent jurisdiction.

13 2. Every foreign registered limited-liability partnership which
14 is doing business in this State and which fails or neglects to register
15 with the Secretary of State pursuant to NRS 87.440 to 87.500,
16 inclusive, and 87.541 to 87.544, inclusive, may not commence or
17 maintain any action, suit or proceeding in any court of this State
18 until it has registered with the Secretary of State pursuant to NRS
19 87.440 to 87.500, inclusive, and 87.541 to 87.544, inclusive.

20 3. The failure of a foreign registered limited-liability
21 partnership to register in this State does not impair the validity of
22 any contract or act of the foreign registered limited-liability
23 partnership, or prevent the foreign registered limited-liability
24 partnership from defending any action, suit or proceeding in any
25 court of this State.

26 4. When the Secretary of State is advised that a foreign
27 registered limited-liability partnership is subject to the fine
28 described in subsection 1, the Secretary of State may, as soon as
29 practicable, instruct the district attorney of the county in which the
30 foreign registered limited-liability partnership's principal place of
31 business is located or the Attorney General, or both, to institute
32 proceedings to recover the fine. If the district attorney or the
33 Attorney General prevails in a proceeding to recover the fine
34 described in subsection 1, the district attorney or the Attorney
35 General is entitled to recover the costs of the proceeding, including,
36 without limitation, the cost of any investigation and reasonable
37 attorney's fees.

38 5. A foreign registered limited-liability partnership, by
39 transacting business in this State without registration, appoints the
40 Secretary of State as its agent for service of process with respect to
41 causes of action arising out of the transaction of business in this
42 State by the foreign registered limited-liability partnership.

43 6. The Secretary of State may adopt regulations to administer
44 the provisions of this section.



Sec. 14. NRS 87A.237 is hereby amended to read as follows:

87A.237 1. Every person, other than a foreign limited partnership, who is purporting to do business in this State as a limited partnership and who willfully fails ~~for neglects~~ to file with the Secretary of State a certificate of limited partnership is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person, other than a foreign limited partnership, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

3. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 15. NRS 87A.610 is hereby amended to read as follows:

87A.610 1. Every foreign limited partnership transacting business in this State which willfully fails ~~for neglects~~ to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. Every foreign limited partnership transacting business in this State which fails or neglects to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 may not commence or maintain any action, suit or proceeding in any court of this State until it has registered with the Secretary of State.

3. The failure of a foreign limited partnership to register with the Secretary of State does not impair the validity of any contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit or proceeding in any court of this State.

4. When the Secretary of State is advised that a foreign limited partnership is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county where the foreign limited partnership has its principal place of business or the Attorney General, or both, to institute proceedings to recover any applicable fine provided for in this section. If the district attorney or the Attorney General prevails in a proceeding to recover a fine pursuant to this section, the district



1 attorney or the Attorney General is entitled to recover the costs of
2 the proceeding, including, without limitation, the cost of any
3 investigation and reasonable attorney's fees.

4 5. A limited partner of a foreign limited partnership is not
5 liable as a general partner of the foreign limited partnership solely
6 by reason of having transacted business in this State without
7 registration.

8 6. A foreign limited partnership, by transacting business in this
9 State without registering with the Secretary of State, appoints the
10 Secretary of State as its agent for service of process with respect to
11 causes of action arising out of the transaction of business in this
12 State.

13 7. The Secretary of State may adopt regulations to administer
14 the provisions of this section.

15 **Sec. 16.** NRS 87A.632 is hereby amended to read as follows:

16 87A.632 1. Every person, other than a limited-liability
17 limited partnership formed pursuant to an agreement governed by
18 the laws of another state, who is purporting to do business in this
19 State as a registered limited-liability limited partnership and who
20 willfully fails ~~for-neglects~~ to file with the Secretary of State a
21 certificate of registration is subject to a fine of not less than \$1,000
22 but not more than \$10,000, to be recovered in a court of competent
23 jurisdiction.

24 2. When the Secretary of State is advised that a person is
25 subject to the fine described in subsection 1, the Secretary of State
26 may, as soon as practicable, instruct the district attorney of the
27 county in which the person's principal place of business is located
28 or the Attorney General, or both, to institute proceedings to recover
29 the fine. If the district attorney or the Attorney General prevails in a
30 proceeding to recover the fine described in this section, the district
31 attorney or the Attorney General is entitled to recover the costs of
32 the proceeding, including, without limitation, the cost of any
33 investigation and reasonable attorney's fees.

34 3. The Secretary of State may adopt regulations to administer
35 the provisions of this section.

36 **Sec. 17.** NRS 87A.652 is hereby amended to read as follows:

37 87A.652 1. Every limited-liability limited partnership,
38 formed pursuant to an agreement governed by the laws of another
39 state, which is purporting to transact business in this State as a
40 foreign registered limited-liability limited partnership and which
41 willfully fails ~~for-neglects~~ to register with the Secretary of State in
42 accordance with the provisions of NRS 87A.540 or 88.575 is subject
43 to a fine of not less than \$1,000 but not more than \$10,000, to be
44 recovered in a court of competent jurisdiction.



2. Every limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, which is purporting to transact business in this State as a foreign registered limited-liability limited partnership and which fails or neglects to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 may not commence or maintain any action, suit or proceeding in any court of this State until it has registered in this State.

3. The failure of a limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state and purporting to do business in this State as a foreign registered limited-liability limited partnership, to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 does not impair the validity of any contract or act of the limited-liability limited partnership or prevent the limited-liability limited partnership from defending any action, suit or proceeding in any court of this State.

4. When the Secretary of State is advised that a limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county where the limited-liability limited partnership has its principal place of business or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

5. A limited partner of a limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, is not liable as a general partner of the limited-liability limited partnership solely by reason of having transacted business in this State without registration.

6. A limited-liability limited partnership, formed pursuant to an agreement governed by the laws of another state, by transacting business in this State without registering with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575, appoints the Secretary of State as its agent for service of process with respect to causes of action arising out of the transaction of business in this State.

7. The Secretary of State may adopt regulations to administer the provisions of this section.



* A B 7 8 R 1 *

Sec. 18. NRS 88.352 is hereby amended to read as follows:

88.352 1. Every person, other than a foreign limited partnership, who is purporting to do business in this State as a limited partnership and who willfully fails ~~for neglects~~ to file with the Secretary of State a certificate of limited partnership is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. When the Secretary of State is advised that a person, other than a foreign limited partnership, is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county in which the person's principal place of business is located or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney General is entitled to recover the costs of the proceeding, including, without limitation, the cost of any investigation and reasonable attorney's fees.

3. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 19. NRS 88.600 is hereby amended to read as follows:

88.600 1. Every foreign limited partnership transacting business in this State which willfully fails ~~for neglects~~ to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 is subject to a fine of not less than \$1,000 but not more than \$10,000, to be recovered in a court of competent jurisdiction.

2. Every foreign limited partnership transacting business in this State which fails or neglects to register with the Secretary of State in accordance with the provisions of NRS 87A.540 or 88.575 may not commence or maintain any action, suit or proceeding in any court of this State until it has registered in this State.

3. The failure of a foreign limited partnership to register with the Secretary of State does not impair the validity of any contract or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit or proceeding in any court of this State.

4. When the Secretary of State is advised that a foreign limited partnership is subject to the fine described in subsection 1, the Secretary of State may, as soon as practicable, instruct the district attorney of the county where the foreign limited partnership has its principal place of business or the Attorney General, or both, to institute proceedings to recover the fine. If the district attorney or the Attorney General prevails in a proceeding to recover the fine described in subsection 1, the district attorney or the Attorney



* A B 7 8 R 1 *

1 General is entitled to recover the costs of the proceeding, including,
2 without limitation, the cost of any investigation and reasonable
3 attorney's fees.

4 5. A limited partner of a foreign limited partnership is not
5 liable as a general partner of the foreign limited partnership solely
6 by reason of having transacted business in this State without
7 registration.

8 6. A foreign limited partnership, by transacting business in this
9 State without registering with the Secretary of State, appoints the
10 Secretary of State as its agent for service of process with respect to
11 causes of action arising out of the transaction of business in this
12 State.

13 7. The Secretary of State may adopt regulations to administer
14 the provisions of this section.

15 **Sec. 20.** NRS 88.6062 is hereby amended to read as follows:

16 88.6062 1. Every person, other than a limited-liability limited
17 partnership formed pursuant to an agreement governed by the laws
18 of another state, who is purporting to do business in this State as a
19 registered limited-liability limited partnership and who willfully
20 fails ~~for neglects~~ to file with the Secretary of State a certificate of
21 registration is subject to a fine of not less than \$1,000 but not more
22 than \$10,000, to be recovered in a court of competent jurisdiction.

23 2. When the Secretary of State is advised that a person is
24 subject to the fine described in subsection 1, the Secretary of State
25 may, as soon as practicable, instruct the district attorney of the
26 county in which the person's principal place of business is located
27 or the Attorney General, or both, to institute proceedings to recover
28 the fine. If the district attorney or the Attorney General prevails in a
29 proceeding to recover the fine described in this section, the district
30 attorney or the Attorney General is entitled to recover the costs of
31 the proceeding, including, without limitation, the cost of any
32 investigation and reasonable attorney's fees.

33 3. The Secretary of State may adopt regulations to administer
34 the provisions of this section.

35 **Sec. 21.** NRS 88.6087 is hereby amended to read as follows:

36 88.6087 1. Every limited-liability limited partnership, formed
37 pursuant to an agreement governed by the laws of another state,
38 which is purporting to transact business in this State as a foreign
39 registered limited-liability limited partnership and which willfully
40 fails ~~for neglects~~ to register with the Secretary of State in
41 accordance with the provisions of NRS 87A.540 or 88.575 is subject
42 to a fine of not less than \$1,000 but not more than \$10,000, to be
43 recovered in a court of competent jurisdiction.

44 2. Every limited-liability limited partnership, formed pursuant
45 to an agreement governed by the laws of another state, which is



1 purporting to transact business in this State as a foreign registered
2 limited-liability limited partnership and which fails or neglects to
3 register with the Secretary of State in accordance with the
4 provisions of NRS 87A.540 or 88.575 may not commence or
5 maintain any action, suit or proceeding in any court of this State
6 until it has registered in this State.

7 3. The failure of a limited-liability limited partnership, formed
8 pursuant to an agreement governed by the laws of another state and
9 purporting to do business in this State as a foreign registered
10 limited-liability limited partnership, to register with the Secretary of
11 State in accordance with the provisions of NRS 87A.540 or 88.575
12 does not impair the validity of any contract or act of the limited-
13 liability limited partnership or prevent the limited-liability limited
14 partnership from defending any action, suit or proceeding in any
15 court of this State.

16 4. When the Secretary of State is advised that a limited-liability
17 limited partnership, formed pursuant to an agreement governed by
18 the laws of another state, is subject to the fine described in
19 subsection 1, the Secretary of State may, as soon as practicable,
20 instruct the district attorney of the county where the limited-liability
21 limited partnership has its principal place of business or the
22 Attorney General, or both, to institute proceedings to recover the
23 fine. If the district attorney or the Attorney General prevails in a
24 proceeding to recover the fine described in subsection 1, the district
25 attorney or the Attorney General is entitled to recover the costs of
26 the proceeding, including, without limitation, the cost of any
27 investigation and reasonable attorney's fees.

28 5. A limited partner of a limited-liability limited partnership,
29 formed pursuant to an agreement governed by the laws of another
30 state, is not liable as a general partner of the limited-liability limited
31 partnership solely by reason of having transacted business in this
32 State without registration.

33 6. A limited-liability limited partnership, formed pursuant to an
34 agreement governed by the laws of another state, by transacting
35 business in this State without registering with the Secretary of State
36 in accordance with the provisions of NRS 87A.540 or 88.575,
37 appoints the Secretary of State as its agent for service of process
38 with respect to causes of action arising out of the transaction of
39 business in this State.

40 7. The Secretary of State may adopt regulations to administer
41 the provisions of this section.

42 **Sec. 22.** NRS 88A.215 is hereby amended to read as follows:

43 88A.215 1. Every person, other than a foreign business trust,
44 who is purporting to do business in this State as a business trust and
45 who willfully fails ~~for-neglects~~ to file with the Secretary of State a



1 certificate of trust is subject to a fine of not less than \$1,000 but not
2 more than \$10,000, to be recovered in a court of competent
3 jurisdiction.

4 2. When the Secretary of State is advised that a person, other
5 than a foreign business trust, is subject to the fine described in
6 subsection 1, the Secretary of State may, as soon as practicable,
7 instruct the district attorney of the county in which the person's
8 principal place of business is located or the Attorney General, or
9 both, to institute proceedings to recover the fine. If the district
10 attorney or the Attorney General prevails in a proceeding to recover
11 the fine described in subsection 1, the district attorney or the
12 Attorney General is entitled to recover the costs of the proceeding,
13 including, without limitation, the cost of any investigation and
14 reasonable attorney's fees.

15 3. The Secretary of State may adopt regulations to administer
16 the provisions of this section.

17 **Sec. 23.** NRS 88A.750 is hereby amended to read as follows:

18 88A.750 1. Every foreign business trust transacting business
19 in this State which willfully fails ~~for neglects~~ to register with the
20 Secretary of State pursuant to the provisions of NRS 88A.710 is
21 subject to a fine of not less than \$1,000 but not more than \$10,000,
22 to be recovered in a court of competent jurisdiction.

23 2. Every foreign business trust transacting business in this State
24 which fails or neglects to register with the Secretary of State
25 pursuant to the provisions of NRS 88A.710 may not commence or
26 maintain any action, suit or proceeding in any court of this State
27 until it has registered with the Secretary of State.

28 3. The failure of a foreign business trust to register with the
29 Secretary of State does not impair the validity of any contract or act
30 of the foreign business trust or prevent the foreign business trust
31 from defending any action, suit or proceeding in any court of this
32 State.

33 4. When the Secretary of State is advised that a foreign
34 business trust is subject to the fine described in subsection 1, the
35 Secretary of State may, as soon as practicable, instruct the district
36 attorney of the county where the foreign business trust has its
37 principal place of business or the Attorney General, or both, to
38 institute proceedings to recover the fine. If the district attorney or
39 the Attorney General prevails in a proceeding to recover the fine
40 described in subsection 1, the district attorney or the Attorney
41 General is entitled to recover the costs of the proceeding, including,
42 without limitation, the cost of any investigation and reasonable
43 attorney's fees.

44 5. A foreign business trust, by transacting business in this State
45 without registering the Secretary of State, appoints the Secretary of



* A B 7 8 R 1 *

1 State as its agent for service of process with respect to causes of
2 action arising out of the transaction of business in this State.

3 6. The Secretary of State may adopt regulations to administer
4 the provisions of this section.

5 **Sec. 24.** NRS 89.215 is hereby amended to read as follows:

6 89.215 1. Every person who is purporting to do business in
7 this State as a professional association and who willfully fails ~~for~~
8 ~~neglects~~ to file with the Secretary of State articles of association is
9 subject to a fine of not less than \$1,000 but not more than \$10,000,
10 to be recovered in a court of competent jurisdiction.

11 2. When the Secretary of State is advised that a person is
12 subject to the fine described in subsection 1, the Secretary of State
13 may, as soon as practicable, instruct the district attorney of the
14 county in which the person's principal place of business is located
15 or the Attorney General, or both, to institute proceedings to recover
16 the fine. If the district attorney or the Attorney General prevails in a
17 proceeding to recover the fine described in subsection 1, the district
18 attorney or the Attorney General is entitled to recover the costs of
19 the proceeding, including, without limitation, the cost of any
20 investigation and reasonable attorney's fees.

21 3. The Secretary of State may adopt regulations to administer
22 the provisions of this section.

23 **Sec. 25.** NRS 104.9526 is hereby amended to read as follows:

24 104.9526 1. The Secretary of State shall adopt and publish
25 rules to effectuate this article. The filing-office rules must be:

26 (a) Consistent with this article; and

27 (b) Adopted in accordance with the provisions of chapter 233B
28 of NRS.

29 2. To keep the filing-office rules and the practices of the filing
30 office in harmony with the rules and practices of filing offices in
31 other jurisdictions that enact substantially this part, and to keep the
32 technology used by the filing office compatible with the technology
33 used by filing offices in other jurisdictions that enact substantially
34 this part, the Secretary of State, so far as is consistent with the
35 purposes, policies, and provisions of this article, in adopting,
36 amending, and repealing filing-office rules, shall:

37 (a) Consult with filing offices in other jurisdictions that enact
38 substantially this part;

39 (b) Consult the most recent version of the Model Rules
40 promulgated by the International Association of ~~Corporation~~
41 **Commercial** Administrators or any successor organization; and

42 (c) Take into consideration the rules and practices of, and the
43 technology used by, filing offices in other jurisdictions that enact
44 substantially this part.



1 **Sec. 26.** NRS 104.9527 is hereby amended to read as follows:

2 104.9527 The Secretary of State shall report biennially on or
3 before the first Monday of February in each odd-numbered year to
4 the Governor and Legislature on the operation of the filing office.
5 The report must contain a statement of the extent to which:

6 1. The filing-office rules are not in harmony with the rules of
7 filing offices in other jurisdictions that enact substantially this part
8 and the reasons for these variations; and

9 2. The filing-office rules are not in harmony with the most
10 recent version of the Model Rules promulgated by the International
11 Association of ~~{Corporation}~~ *Commercial* Administrators, or any
12 successor organization, and the reasons for these variations.

13 **Sec. 27.** (Deleted by amendment.)

14 **Sec. 28.** This act becomes effective on July 1, 2011.

