

CHAPTER.....

AN ACT relating to employee leasing companies; revising the requirements for the issuance or renewal of a certificate of registration to operate an employee leasing company in this State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires certain applicants for the issuance or renewal of a certificate of registration to operate an employee leasing company in this State: (1) to maintain positive working capital throughout the entire period covered by certain financial statements which the applicant is required to submit with its application; or (2) if the applicant has not maintained positive working capital throughout the specified period, to provide a bond or certain other securities with a market value equaling the maximum deficiency in working capital during the specified period plus \$100,000. (NRS 616B.679) This bill instead requires an applicant for the issuance or renewal of a certificate of registration to operate an employee leasing company in this State: (1) to have positive working capital for the period covered by the financial statements submitted with an application; or (2) if the applicant does not have positive working capital for the period covered by the financial statements, to provide a bond or certain other securities with a market value equaling the maximum deficiency in working capital for the period covered by the financial statements plus \$100,000. This bill also requires that a financial statement which is submitted with an application be prepared not more than 13 months before the submission of the application.

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

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

Section 1. NRS 616B.679 is hereby amended to read as follows:

616B.679 1. Each application must include:

(a) The applicant's name and title of his or her position with the employee leasing company.

(b) The applicant's age, place of birth and social security number.

(c) The applicant's address.

(d) The business address of the employee leasing company.

(e) The business address of the registered agent of the employee leasing company, if the applicant is not the registered agent.

(f) If the applicant is a:

(1) Partnership, the name of the partnership and the name, address, age, social security number and title of each partner.



(2) Corporation, the name of the corporation and the name, address, age, social security number and title of each officer of the corporation.

(g) Proof of:

(1) Compliance with the provisions of chapter 76 of NRS.

(2) The payment of any premiums for industrial insurance required by chapters 616A to 617, inclusive, of NRS.

(3) The payment of contributions or payments in lieu of contributions required by chapter 612 of NRS.

(4) Insurance coverage for any benefit plan from an insurer authorized pursuant to title 57 of NRS that is offered by the employee leasing company to its employees.

(h) A financial statement of the applicant setting forth the financial condition of the employee leasing company. Except as otherwise provided in subsection 5, the financial statement must include, without limitation:

(1) For an application for issuance of a certificate of registration, the most recent audited financial statement of the applicant, which must have been completed not more than 13 months before the date of application; or

(2) For an application for renewal of a certificate of registration, an audited financial statement which must have been completed not more than 180 days after the end of the applicant's fiscal year.

(i) A registration or renewal fee of \$500.

(j) Any other information the Administrator requires.

2. Each application must be notarized and signed under penalty of perjury:

(a) If the applicant is a sole proprietorship, by the sole proprietor.

(b) If the applicant is a partnership, by each partner.

(c) If the applicant is a corporation, by each officer of the corporation.

3. An applicant shall submit to the Administrator any change in the information required by this section within 30 days after the change occurs. The Administrator may revoke the certificate of registration of an employee leasing company which fails to comply with the provisions of NRS 616B.670 to 616B.697, inclusive.

4. If an insurer cancels an employee leasing company's policy, the insurer shall immediately notify the Administrator in writing. The notice must comply with the provisions of NRS 687B.310 to 687B.355, inclusive, and must be served personally on or sent by first-class mail or electronic transmission to the Administrator.



5. A financial statement submitted with an application pursuant to this section must be prepared in accordance with generally accepted accounting principles, must be audited by an independent certified public accountant licensed to practice in the jurisdiction in which the accountant is located and must be without qualification as to the status of the employee leasing company as a going concern. An employee leasing company that has not had sufficient operating history to have an audited financial statement based upon at least 12 months of operating history must present financial statements reviewed by a certified public accountant covering its entire operating history. ~~{Each}~~ *The financial ~~{statement}~~ statements must ~~{:}~~ be prepared not more than 13 months before the submission of an application and must:*

(a) Indicate that the applicant has ~~{maintained}~~ positive working capital, as defined by generally accepted accounting principles, ~~{throughout}~~ *for* the period covered by the financial ~~{statement;}~~ *statements;* or

(b) Be accompanied by a bond, irrevocable letter of credit or securities with a minimum market value equaling the maximum deficiency in working capital *for the period covered by the financial statements* plus \$100,000. The bond, irrevocable letter of credit or securities must be held by a depository institution designated by the Administrator to secure payment by the applicant of all taxes, wages, benefits or other entitlements payable by the applicant.

