## Amendment No. 935

Senate Amendment to Senate Bill No. 261 First Reprint (BDR 52-829)
Proposed by: Senate Committee on Finance
Amendment Box: Replaces Amendment No. 913.
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes
Adoption of this amendment will REMOVE the 2/3s majority vote requirement from S.B. 261 R1.
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EXPLANATION: Matter in (1) <i>blue bold italics</i> is new language in the original bill; (2) <i>green bold italic underlining</i> is new language proposed in this amendment; (3) red strikethrough is deleted language in the original bill; (4) purple double strikethrough is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) green bold underlining is newly added transitory language.
JWP/TMC Date: 5/31/2013

(BDR 52-829)

S.B. No. 261—Revises provisions relating to door-to-door solicitation.

SENATE BILL NO. 261–SENATORS JONES, WOODHOUSE, SPEARMAN, SEGERBLOM; FORD, HUTCHISON, KIHUEN AND MANENDO

MARCH 15, 2013

JOINT SPONSORS: ASSEMBLYMEN HEALEY; LIVERMORE AND MUNFORD

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions relating to door-to-door solicitation. (BDR 52-829)

FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for

Term of Imprisonment in County or City Jail or Detention

Facility.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to the regulation of trades; requiring certain persons who engage in prohibiting door-to-door commercial solicitation to permit from the Consumer Affairs Division of the Department of Business and Industry; providing for the issuance under certain circumstances; requiring an owner of a business which involves the use of door-to-door commercial solicitation to maintain specified records; requiring the use of identification badges to persons who engage in such solicitation; persons who engage in such solicitation; prohibiting commercial solicitation under certain circumstances; authorizing disciplinary action against the holder of a permit or identification badge; providing a penalty; the governing body of a county, city or unincorporated town to require a license for the operation of a business which involves the use of such solicitation, and to charge and collect a fee for the license; and providing other matters properly relating thereto.

## **Legislative Counsel's Digest:**

Existing law imposes certain requirements relating to door-to-door solicitations. For example, a person engaged in the business or occupation of making such solicitations is required to identify himself or herself and the purpose of his or her visit within 30 seconds after beginning the conversation. (NRS 598.092) In addition, a purchaser of certain goods and services sold door-to-door generally has a statutory right to cancel the transaction within 3 business days, and a seller is required to provide the buyer with a form for giving notice of the cancellation. (NRS 598.230, 598.250)

This bill adopts additional provisions for the regulation of door-to-door solicitors. **Section 9** of this bill prohibits door-to-door commercial solicitation by certain persons and

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requires fa person who engages in the an owner of a business for which involves the use of door-to-door commercial solicitation for commercial purposes to apply for and obtain a ermit from the Consumer Affairs Division of the Department of identification badge from the Division. to maintain specified business records and records relating to agents and employees of the business who engage in such solicitation. Section violations committed by the permit holder or permitted solicitor. prohibits the owner of such a business or any agent or employee of the business from engaging in door-to-door commercial solicitation if the owner, agent or employee has been convicted of a felony during the preceding 5 years or, during the preceding 2 years, has been adjudged to have violated any specified statute relating to deceptive trade practices or the unlawful employment of children.

Sections 17-19 of this bill directly regulate the conduct of door-to-door commercial solicitation. Section 17 requires a person who engages in such solicitation to display this or her] an identification badge that meets the requirements of that section and to exhibit the badge [and the permit] on request by any customer, prospective customer or law enforcement officer. Section 18 regulates the hours during which door-todoor commercial solicitation may be conducted. Section 19 makes it unlawful to engage in such solicitation wherever a "no solicitation" or "no trespassing" sign is prominently displayed in public view at certain locations.

Section 21 of this bill authorizes the Division to take disciplinar holder or permitted solicitor on specified grounds, and section 22 of this bill prescribed by specific statute, section 24 of this bill provides that any violatio

Sections 1 and 28-46 of this bill make conforming changes to various existing provisions of NRS governing trade practices and solicitation by telephone I

Section 24 of this bill provides that any violation of the provisions of this bill constitutes a deceptive trade practice.

Sections 46.2, 46.4 and 46.6 of this bill authorize the governing body of any county, city or unincorporated town, respectively, to: (1) require a license to operate a business which involves the use of door-to-door commercial solicitation; and (2) charge and collect a fee for the issuance and renewal of such a license. Section 46.8 of this bill exempts any such fee from provisions of existing law which limit increases in fees for business licenses.

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

Section 1. (Deleted by amendment.)

Sec. 2. Chapter [599B] 598 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 27, inclusive, of this act.

Sec. 3. As used in sections 3 to 24, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections  $\frac{44}{3.5}$  to 8, inclusive, of this act have the meanings ascribed to them in those sections.

Sec. 3.5. "Commissioner" means the Commissioner of Consumer Affairs.

Sec. 4. "Door-to-door commercial solicitation" means making or attempting to make personal contact with a person at his or her residence, without a prior specific invitation by or appointment with the person, primarily for the purpose of:

1. Soliciting the sale of a service, goods, wares or merchandise; or

2. Personally delivering to the person a handbill or flyer advertising a commercial event, activity, good or service that is offered to the person for purchase at a location away from the residence or at a future time.

→ The term does not include door-to-door noncommercial solicitation.

Sec. 4.5. "Door-to-door noncommercial solicitation" means making or attempting to make personal contact with a person at his or her residence, without a prior specific invitation by or appointment with the person, primarily for the purpose of:

1. Soliciting a gift or donation to a nonprofit organization exempt from federal income tax pursuant to 26 U.S.C. § 501(c)(3);

- 2. Soliciting the sale of a service, goods, wares or merchandise, with the entire proceeds of the sale to be paid directly to or used exclusively for the benefit of a nonprofit organization exempt from federal income tax pursuant to 26 U.S.C. § 501(c)(3);
- 3. Personally delivering to the person a handbill or flyer advertising a future not-for-profit event, activity or service;

4. Proselytizing on behalf of a religious organization;

- 5. Soliciting support for a political candidate or organization, ballot measure or ideology; or
  - 6. Polling, canvassing or gathering information.

Sec. 5. (Deleted by amendment.)

- Sec. 5.5. "Door-to-door solicitor" means a person who is an agent or employee of an owner of a business which involves the use of door-to-door commercial solicitation and who engages in door-to-door commercial solicitation.
- Sec. 6. ["Permit holder"] "Owner of a business which involves the use of door-to-door commercial solicitation" or "owner" means a person to whom a permit has been issued by the Division pursuant to section 11 of this act.] who:
- 1. Engages in door-to-door commercial solicitation personally or through an agent or employee; and
- 2. Owns a business for which one or more persons engage in door-to-door commercial solicitation, without regard to whether the door-to-door commercial solicitation is a primary purpose of the business.

Sec. 7. (Deleted by amendment.)

- Sec. 8. "Residence" means a private residence in this State, including, without limitation:
  - 1. A condominium unit or apartment; and

2. The yards, grounds or hallways thereof.

Sec. 9. 1. It is unlawful for any person to engage in door-to-door commercial solicitation in this State unless the person is fapermit holder or permitted solicitor. I an owner of a business which involves the use of door-to-door commercial solicitation or a door-to-door solicitor.

2. [Each applicant for a permit must submit a written application to the Division, in the form prescribed by regulation of the Division and made under penalty of perjury. In addition to any other information required by regulation, the application must include or be accompanied by:

(a) The full name and business address and telephone number of the applicant;

- 1 (b) A statement of the intended purpose of the door to door commercial 2 3 4 5 6 7 8 9 solicitation: (e) If the applicant is not a natural person: (1) A statement of the nature of the applicant as a corporation, limited liability company or other form of business entity;

  (2) The full name and business address and telephone number of each director, officer, owner, member or partner of the applicant; and (3) The name and business address and telephone number of applicant's registered agent in this States 10 (d) It is unlawful for an owner of a business which involves the use of door-11 to-door commercial solicitation to engage in door-to-door commercial solicitation 12 in this State, personally or through a door-to-door solicitor, unless the owner 13 maintains the following records: (a) A copy of fthe applicant's : 14 15 (1) The owner's state business license issued pursuant to chapter 76 of 16 NRS ; and fany 17 (2) Any business license, including any license required for door-to-door commercial solicitation as authorized by sections 46.2, 46.4 and 46.6 of this act, 18 19 which may be required by fthel any local government where the fapplicant will 20 engagel owner, personally or through a door-to-door solicitor, engages in door-21 to-door commercial solicitation; 22 [ (c) A complete set of the fingerprints of the applicant or, if the applicant is not a natural person, a complete set of the fingerprints of each director, officer, 23 24 owner, member and partner of the applicant, and written permission authorizing the Division to forward the fingerprints to the Central Repository for Nevada 25 Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and 26 27 28 [(f)] (b) A list of the fpersons door-to-door solicitors who fwill be authorized 29 to act as permitted solicitors pursuant to the permit if the application is granted are agents or employees of the owner and, for each such fperson: door-to-door 30 31 solicitor: 32 (1) His or her full name, address, telephone number and date of birth; 33 (2) A complete set of the fingerprints of the <del>[person]</del> door-to-door solicitor and written permission authorizing [the Division] a law enforcement 34 35 agency to forward the fingerprints to the Central Repository for Nevada Records 36 of Criminal History for submission to the Federal Bureau of Investigation for its 37 report; 38 (3) A physical description of the <del>[person,]</del> door-to-door solicitor, 39 including his or her height, weight, color of eyes and color of hair; 40 (4) A color photograph of the <del>[person,]</del> door-to-door solicitor, taken not more than 6 months preceding the <u>current</u> date <u>, [of the application,]</u> which fairly depicts the <u>appearance</u> of the <u>fperson</u> <u>door-to-door solicitor</u> as of the <u>current</u> 41 42 43 date for reproduction on an identification badge fissued pursuant to which meets the requirements of section [11] 17 of 44 45 this act; and
  - (5) The number and state of issuance of the driver's license of the [person,] door-to-door solicitor, if any, or a copy of another form of photo identification issued by a governmental entity.
    - 3. The applicant must submit with the application:

(a) An application fee of \$200;

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(b) For each person identified by the applicant as a person who will be authorized to act as a permitted solicitor pursuant to paragraph (f) of subsection

2, an additional fee of \$50 for preparing and issuing an identification badge to that person if the application is granted; and

(c) For each person identified pursuant to paragraphs (e) and (f) of subsection 2, an additional fee, established by regulation of the Division, equal to the sum charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation for processing the person's fingerprints.] An owner of a business which involves the use of door-to-door commercial solicitation shall make available the records set forth in subsection 2 for the inspection of any law enforcement officer at all times during the ordinary hours of business.

Sec. 10. [A person is not eligible for a permit or identification badge] An owner of a business which involves the use of door-to-door commercial solicitation shall not engage in door-to-door commercial solicitation, personally or through a door-to-door solicitor, and a door-to-door solicitor shall not engage in door-to-door commercial solicitation if [+] the owner or door-to-door solicitor has been:

1. [He or she has previously been convicted] Convicted of a felony for any erime involving theft, fraud or dishonesty] under the laws of this State or an equivalent offense under any federal [4] or state for local] law for ordinance; during the immediately preceding 5 years; or

2. [A permit or identification badge issued to the person has been revoked] Convicted of or otherwise adjudged to have committed any violation of a provision of NRS 207.171, 598.0903 to 598.0999, inclusive, 598.140 to 598.2801, inclusive, 609.190, 609.221 or 609.240 to 609.260, inclusive, or sections 3 to 24, inclusive, of this act during the immediately preceding 2 years. [by the Division pursuant to section 21 of this act.]

Sec. 11. (Deleted by amendment.)

Sec. 12. (Deleted by amendment.)

Sec. 13. (Deleted by amendment.)

Sec. 14. (Deleted by amendment.)

Sec. 15. (Deleted by amendment.)

Sec. 16. (Deleted by amendment.)

Sec. 17. [A permitted]

 1. If an owner of a business which involves the use of door-to-door commercial solicitation personally engages in door-to-door solicitation or a door-to-door solicitor engages in door-to-door commercial solicitation, the owner or door-to-door solicitor shall:

[1.] (a) Conspicuously display [this or her] an identification badge that meets the requirements of this section at all times while engaged in door-to-door commercial solicitation.

[2-] (b) Upon the request of a customer, prospective customer or law enforcement officer, exhibit his or her identification badge. [and a copy of the permit pursuant to which he or she is acting.]

2. For the purposes of this section, an identification badge must be a card not smaller than 2 inches by 3 1/2 inches which contains:

(a) The name and a photograph, not smaller than 1 inch by 1 inch, of the owner of a business which involves the use of door-to-door commercial solicitation or door-to-door solicitor, as applicable;

(b) The words "Door-to-door Solicitor"; and

(c) If the person is an agent or employee of an owner, the words "a Representative of" and the name of the owner or the owner's business for which the person acts as a door-to-door solicitor.

Sec. 18. [A person] An owner of a business which involves the use of door-123456789to-door commercial solicitation or a door-to-door solicitor shall not engage in door-to-door commercial solicitation except during the hours of 9 a.m. and 7 p.m. Any solicitation of a customer or prospective customer begun during that period

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must be completed within that period.

- Sec. 19. It is unlawful: For fa permit holder or permittedf an owner of a business which involves the use of door-to-door commercial solicitation or a door-to-door solicitor to enter or remain upon any public or private premises if a "No Solicitation" or "No
- Trespassing" sign is prominently displayed in public view: (a) At or near each entrance to the premises; or
- (b) If the premises are located in a gated community, on the entrance gate to the community.
- 2. For fa person an owner or door-to-door solicitor to obtain an invitation to visit a private residence for the purpose of soliciting the purchase or sale of goods, services or any other thing of value by knowingly making a false or deceptive representation or statement.
  - Sec. 20. (Deleted by amendment.)
  - (Deleted by amendment.) Sec. 21.
  - Sec. 22. (Deleted by amendment.)
- The [Division] Commissioner may adopt such regulations as [it] he or she deems necessary to carry out the provisions of sections 3 to 24, inclusive, of this act.
- Sec. 24. Hn addition to any disciplinary action authorized by section 21 of this act, unless a greater penalty is prescribed by specific statute, a person who violates a provision of sections 3 to 24, inclusive, of this act is guilty of a misdemeanor.] Any violation of sections 3 to 24, inclusive, of this act constitutes a deceptive trade practice for the purposes of NRS 598.0903 to 598.0999, inclusive.
  - Sec. 25. (Deleted by amendment.)
  - Sec. 26. (Deleted by amendment.)
  - (Deleted by amendment.) Sec. 27.
  - NRS 598.0999 is hereby amended to read as follows:
- 598.0999 1. Except as otherwise provided in NRS 598.0974, a person who violates a court order or injunction issued pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, upon a complaint brought by the Commissioner, the Director, the district attorney of any county of this State or the Attorney General shall forfeit and pay to the State General Fund a civil penalty of not more than \$10,000 for each violation. For the purpose of this section, the court issuing the order or injunction retains jurisdiction over the action or proceeding. Such civil penalties are in addition to any other penalty or remedy available for the enforcement of the provisions of NRS 598.0903 to 598.0999, inclusive.
- Except as otherwise provided in NRS 598.0974, in any action brought pursuant to the provisions of NRS 598.0903 to 598.0999, inclusive, if the court finds that a person has willfully engaged in a deceptive trade practice, the Commissioner, the Director, the district attorney of any county in this State or the Attorney General bringing the action may recover a civil penalty not to exceed \$5,000 for each violation. The court in any such action may, in addition to any other relief or reimbursement, award reasonable attorney's fees and costs.
- A natural person, firm, or any officer or managing agent of any corporation or association who knowingly and willfully engages in a deceptive trade practice:
  - (a) For the first offense, is guilty of a misdemeanor.
  - (b) For the second offense, is guilty of a gross misdemeanor.

- (c) For the third and all subsequent offenses, is guilty of a category D felony and shall be punished as provided in NRS 193.130.
- → The court may require the natural person, firm, or officer or managing agent of the corporation or association to pay to the aggrieved party damages on all profits derived from the knowing and willful engagement in a deceptive trade practice and treble damages on all damages suffered by reason of the deceptive trade practice.
- Any offense which occurred within 10 years immediately preceding the date of the principal offense or after the principal offense constitutes a prior offense for the purposes of subsection 3 when evidenced by a conviction, without regard to the sequence of the offenses and convictions.
- 5. If a person violates any provision of NRS 598.0903 to 598.0999, inclusive, 598.100 to 598.2801, inclusive, 598.305 to 598.395, inclusive, 598.405 to 598.525, inclusive, 598.741 to 598.787, inclusive, [or] 598.840 to 598.966, inclusive, or sections 3 to 24, inclusive, of this act, fails to comply with a judgment or order of any court in this State concerning a violation of such a provision, or fails to comply with an assurance of discontinuance or other agreement concerning an alleged violation of such a provision, the Commissioner or the district attorney of any county may bring an action in the name of the State of Nevada seeking:
- (a) The suspension of the person's privilege to conduct business within this
- (b) If the defendant is a corporation, dissolution of the corporation.
- → The court may grant or deny the relief sought or may order other appropriate
- If a person violates any provision of NRS 228.500 to 228.640, inclusive, fails to comply with a judgment or order of any court in this State concerning a violation of such a provision, or fails to comply with an assurance of discontinuance or other agreement concerning an alleged violation of such a provision, the Attorney General may bring an action in the name of the State of
- (a) The suspension of the person's privilege to conduct business within this State; or
  - (b) If the defendant is a corporation, dissolution of the corporation.
- The court may grant or deny the relief sought or may order other appropriate relief.

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Sec. 28.
         (Deleted by amendment.)
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- Sec. 29. (Deleted by amendment.) Sec. 30. (Deleted by amendment.)
  - Sec. 31. (Deleted by amendment.)
- Sec. 32. (Deleted by amendment.)
- 39 40 Sec. 33. (Deleted by amendment.) 41
  - Sec. 34. (Deleted by amendment.)
- 42 Sec. 35. (Deleted by amendment.)
- 43 Sec. 36. (Deleted by amendment.)
- 44 Sec. 37. (Deleted by amendment.) 45 Sec. 38. (Deleted by amendment.)
- 46 Sec. 39. (Deleted by amendment.)
- (Deleted by amendment.) Sec. 40. 47
- 48 Sec. 41. (Deleted by amendment.)
- 49 (Deleted by amendment.) Sec. 42.
- 50 (Deleted by amendment.) Sec. 43.
- 51 Sec. 44. (Deleted by amendment.) 52 Sec. 45. (Deleted by amendment.)
- 53 Sec. 46. (Deleted by amendment.)

new section to read as follows:

Sec. 46.2. Chapter 244 of NRS is hereby amended by adding thereto a

123456789The board of county commissioners may: (a) Require a license to operate a business which involves the use of door-todoor commercial solicitation; and (b) Charge and collect a fee for the issuance and renewal of such a license. As used in this section, "door-to-door commercial solicitation" has the meaning ascribed to it in section 4 of this act. Sec. 46.4. Chapter 268 of NRS is hereby amended by adding thereto a 10 new section to read as follows: 11 The governing body of an incorporated city may: 12 (a) Require a license to operate a business which involves the use of door-to-13 door commercial solicitation; and 14 (b) Charge and collect a fee for the issuance and renewal of such a license. 15 2. As used in this section, "door-to-door commercial solicitation" has the 16 meaning ascribed to it in section 4 of this act. Sec. 46.6. Chapter 269 of NRS is hereby amended by adding thereto a 17 new section to read as follows: 18 19 1. The town board or board of county commissioners may, for an 20 unincorporated town: 21 (a) Require a license to operate a business which involves the use of door-to-22 door commercial solicitation; and 23 24 (b) Charge and collect a fee for the issuance and renewal of such a license. As used in this section, "door-to-door commercial solicitation" has the 25 meaning ascribed to it in section 4 of this act. 26 Sec. 46.8. NRS 354.5989 is hereby amended to read as follows: 27 354.5989 1. A local government shall not increase any fee for a business 28 license or adopt a fee for a business license issued for revenue or regulation, or 29 both, except as permitted by this section. This prohibition does not apply to fees: 30 (a) Imposed by hospitals, county airports, airport authorities, convention 31 authorities, the Las Vegas Valley Water District or the Clark County Sanitation 32 33 (b) Imposed on public utilities for the privilege of doing business pursuant to a 34 franchise; 35 (c) Imposed in compliance with the provisions of NRS 711.670 on video 36 service providers for the privilege of doing business pursuant to chapter 711 of 37 NRS: 38 (d) For business licenses which are calculated as a fraction or percentage of the 39 gross revenue of the business; 40 (e) Imposed pursuant to NRS 244.348, 268.0973, 268.821 or 269.182; <del>[orl</del> 41 (f) Authorized pursuant to section 46.2, 46.4 or 46.6 of this act; or Regulated pursuant to NRS 354.59881 to 354.59889, inclusive. 42 The amount of revenue the local government derives or is allowed to 43 44 derive, whichever is greater, from all fees for business licenses except: 45 (a) The fees excluded by subsection 1, for the fiscal year ended on June 30, 46 1991; and (b) The fees collected for a particular type of business during the immediately 47 48 preceding fiscal year ending on June 30 that a local government will not collect in 49 the next subsequent fiscal year, 50 → is the base from which the maximum allowable revenue from such fees must be 51 calculated for the next subsequent fiscal year. To the base must be added the sum of 52 the amounts respectively equal to the product of the base multiplied by the 53 percentage increase in the population of the local government added to the

percentage increase in the Consumer Price Index for the year ending on December 31 next preceding the year for which the limit is being calculated. The amount so determined becomes the base for computing the allowed increase for each subsequent year.

3. A local government may not increase any fee for a business license which is calculated as a fraction or percentage of the gross revenue of the business if its total revenues from such fees have increased during the preceding fiscal year by more than the increase in the Consumer Price Index during that preceding calendar year. The provisions of this subsection do not apply to a fee:

(a) Imposed in compliance with the provisions of NRS 711.670 on video service providers for the privilege of doing business pursuant to chapter 711 of

NRS;

(b) Imposed pursuant to NRS 244.348, 268.0973, 268.821 or 269.182; [or]

(c) <u>Authorized pursuant to section 46.2, 46.4 or 46.6 of this act; or (d)</u> Regulated pursuant to NRS 354.59881 to 354.59889, inclusive.

4. A local government may submit an application to increase its revenue from fees for business licenses beyond the amount allowable pursuant to this section to the Nevada Tax Commission, which may grant the application only if it finds that the rate of a business license of the local government is substantially below that of other local governments in the State.

5. The provisions of this section apply to a business license regardless of the fund to which the revenue from it is assigned. An ordinance or resolution enacted by a local government in violation of the provisions of this section is void.

6. As used in this section, "fee for a business license" does not include a tax imposed on the revenues from the rental of transient lodging.

Sec. 47. (Deleted by amendment.)