

ASSEMBLY BILL NO. 382—ASSEMBLYWOMAN KIRKPATRICK

MARCH 17, 2015

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to state business licenses.  
(BDR 7-962)

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

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

AN ACT relating to business; revising provisions governing the amount of the annual fee for a state business license; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law imposes an annual fee of \$200 for a state business license. (NRS 76.100, 76.130) On July 1, 2015, this fee is scheduled to change to \$100. (Chapters 381 and 429, Statutes of Nevada 2009, as last amended by chapter 518, Statutes of Nevada 2013, p. 3426)

**Sections 3 and 4** of this bill provide that the amount of the annual fee for an initial state business license and annual renewal is determined by the type of business organization which operates the business. Under **sections 3 and 4**, the annual fee for an initial state business license and the annual renewal is: (1) \$500 for certain entities organized pursuant to the laws of this State and for entities required to file with the Secretary of State; (2) \$350 for cooperative entities and nonprofit associations organized pursuant to chapter 81 of NRS that are not exempt from the requirement to obtain a state business license and for general partnerships formed pursuant to an agreement governed by the laws of this State or any other jurisdiction; (3) \$300 for natural persons who are independent contractors; and (4) \$200 for sole proprietorships and natural persons who are required to obtain a state business license.

**Section 5** of this bill provides that the revisions under this bill apply to fees that are due on or after July 1, 2015.



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

**Section 1.** Chapter 76 of NRS is hereby amended by adding thereto a new section to read as follows:

*“Independent contractor” means a natural person who renders services for a stipulated fee, under the control of the person’s principal as to the result of the person’s work only and not as to the means by which such result is accomplished.*

**Sec. 2.** NRS 76.010 is hereby amended to read as follows:

76.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 76.020, 76.030 and 76.040 *and section 1 of this act* have the meanings ascribed to them in those sections.

**Sec. 3.** NRS 76.100 is hereby amended to read as follows:

76.100 1. A person shall not conduct a business in this State unless and until the person obtains a state business license issued by the Secretary of State. If the person is:

(a) An entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license at the time of filing the initial or annual list.

(b) Not an entity required to file an initial or annual list with the Secretary of State pursuant to this title, the person must obtain the state business license before conducting a business in this State.

2. An application for a state business license must:

(a) Be made upon a form prescribed by the Secretary of State;

(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the entity number as assigned by the Secretary of State, if known, and the location in this State of the place or places of business;

(c) Be accompanied by a fee ~~[in the amount of \$100;]~~ :

*(1) Except as otherwise provided in subparagraph (2), in the amount of \$500 if the applicant is:*

*(I) An entity organized pursuant to this title; or*

*(II) An entity required to file with the Secretary of State pursuant to this title;*

*(2) In the amount of \$350 if the applicant is:*

*(I) A business organized pursuant to chapter 81 of NRS;*  
*or*

*(II) A partnership formed pursuant to an agreement governed by NRS 87.010 to 87.430, inclusive, or 87.4301 to 87.4357, inclusive, or a partnership formed pursuant to an*



*agreement governed by the laws of a jurisdiction other than this State;*

*(3) In the amount of \$300 if the applicant conducts a business in this State as an independent contractor; and*

*(4) Except as otherwise provided in subparagraph (3), in the amount of \$200 if the applicant is:*

*(I) A sole proprietorship; or*

*(II) A natural person who is required to obtain a state business license pursuant to this chapter; and*

(d) Include any other information that the Secretary of State deems necessary.

➤ If the applicant is an entity organized pursuant to this title and on file with the Secretary of State and the applicant has no location in this State of its place of business, the address of its registered agent shall be deemed to be the location in this State of its place of business.

3. The application must be signed pursuant to NRS 239.330 by:

(a) The owner of a business that is owned by a natural person.

(b) A member or partner of an association or partnership.

(c) A general partner of a limited partnership.

(d) A managing partner of a limited-liability partnership.

(e) A manager or managing member of a limited-liability company.

(f) An officer of a corporation or some other person specifically authorized by the corporation to sign the application.

4. If the application for a state business license is defective in any respect or the fee required by this section is not paid, the Secretary of State may return the application for correction or payment.

5. The state business license required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.

6. For the purposes of this chapter, a person shall be deemed to conduct a business in this State if a business for which the person is responsible:

(a) Is organized pursuant to this title, other than a business organized pursuant to:

(1) Chapter 82 or 84 of NRS; or

(2) Chapter 81 of NRS if the business is a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).

(b) Has an office or other base of operations in this State;

(c) Has a registered agent in this State; or



(d) Pays wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid.

7. As used in this section, "registered agent" has the meaning ascribed to it in NRS 77.230.

**Sec. 4.** NRS 76.130 is hereby amended to read as follows:

76.130 1. A person who applies for renewal of a state business license shall submit ~~a fee in the amount of \$100~~ to the Secretary of State *[ ] a fee in the amount determined pursuant to subsection 2:*

(a) If the person is an entity required to file an annual list with the Secretary of State pursuant to this title, at the time the person submits the annual list to the Secretary of State, unless the person submits a certificate or other form evidencing the dissolution of the entity; or

(b) If the person is not an entity required to file an annual list with the Secretary of State pursuant to this title, on the last day of the month in which the anniversary date of issuance of the state business license occurs in each year, unless the person submits a written statement to the Secretary of State, at least 10 days before that date, indicating that the person will not be conducting a business in this State after that date.

2. *The fee required by subsection 1 must be:*

*(a) Except as otherwise provided in paragraph (b), in the amount of \$500 if the person is:*

*(1) An entity organized pursuant to this title; or*

*(2) An entity required to file with the Secretary of State pursuant to this title;*

*(b) In the amount of \$350 if the person is:*

*(1) A business organized pursuant to chapter 81 of NRS; or*

*(2) A partnership formed pursuant to an agreement governed by NRS 87.010 to 87.430, inclusive, or 87.4301 to 87.4357, inclusive, or a partnership formed pursuant to an agreement governed by the laws of a jurisdiction other than this State;*

*(c) In the amount of \$300 if the person conducts a business in this State as an independent contractor; and*

*(d) Except as otherwise provided in paragraph (c), in the amount of \$200 if the person is:*

*(1) A sole proprietorship; or*

*(2) A natural person who is required to obtain a state business license pursuant to this chapter.*

3. The Secretary of State shall, 90 days before the last day for filing an application for renewal of the state business license of a person who holds a state business license, provide to the person a notice of the state business license fee due pursuant to this section



1 and a reminder to file the application for renewal required pursuant  
2 to this section. Failure of any person to receive a notice does not  
3 excuse the person from the penalty imposed by law.

4 ~~3.3~~ 4. If a person fails to submit the annual state business  
5 license fee required pursuant to this section in a timely manner and  
6 the person is:

7 (a) An entity required to file an annual list with the Secretary of  
8 State pursuant to this title, the person:

9 (1) Shall pay a penalty of \$100 in addition to the annual state  
10 business license fee;

11 (2) Shall be deemed to have not complied with the  
12 requirement to file an annual list with the Secretary of State; and

13 (3) Is subject to all applicable provisions relating to the  
14 failure to file an annual list, including, without limitation, the  
15 provisions governing default and revocation of its charter or right to  
16 transact business in this State, except that the person is required to  
17 pay the penalty set forth in subparagraph (1).

18 (b) Not an entity required to file an annual list with the Secretary  
19 of State, the person shall pay a penalty in the amount of \$100 in  
20 addition to the annual state business license fee. The Secretary of  
21 State shall provide to the person a written notice that:

22 (1) Must include a statement indicating the amount of the  
23 fees and penalties required pursuant to this section and the costs  
24 remaining unpaid.

25 (2) May be provided electronically, if the person has  
26 requested to receive communications by electronic transmission, by  
27 electronic mail or other electronic communication.

28 **Sec. 5.** This act becomes effective on July 1, 2015, and applies  
29 to a fee for the issuance or renewal of a state business license which  
30 becomes due on or after that date.

