

ASSEMBLY BILL NO. 464—COMMITTEE ON TAXATION

MARCH 23, 2015

Referred to Committee on Taxation

SUMMARY—Revises provisions relating to state financial administration. (BDR 32-851)

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 state financial administration; revising provisions governing the imposition, rate and calculation of the payroll tax imposed on businesses; revising provisions governing the amount of the annual fee for a state business license; requiring businesses to provide certain information in an application for the issuance or renewal of a state business license; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law imposes an excise tax on certain businesses other than financial institutions at the rate of 1.17 percent of the total wages paid by the business each calendar quarter that exceed \$85,000. (NRS 363B.110) On July 1, 2015, this rate is scheduled to change to 0.63 percent of the total wages paid by the business each calendar quarter. (Chapter 476, Statutes of Nevada 2011, pp. 2891, 2898, as last amended by chapter 518, Statutes of Nevada 2013, p. 3427; chapter 518, Statutes of Nevada 2013, p. 3425) Existing law also imposes an excise tax on financial institutions at the rate of 2 percent of the total wages paid by the financial institution each calendar quarter. (NRS 363A.130) In computing these taxes, a business or financial institution may deduct from the total wages paid by the business or financial institution certain expenses for health insurance or a health benefit plan for its employees in the calendar quarter for which the tax is paid. (NRS 363A.135, 363B.115)

Sections 8, 9 and 42 of this bill revise the computation and rate of the excise tax on the total wages paid by a business during a calendar quarter. Under **sections 8 and 9**, each business in this State is required to pay a tax at the rate of 1.56 percent of the total wages paid by the business each calendar quarter that exceed \$50,000. **Section 42** repeals the deduction from the total wages paid by a business for certain expenses for health insurance or a health benefit plan for its employees and thus, under this bill, the taxable wages of a business must be computed without



deducting these expenses from the total wages paid by the business. **Section 42** also repeals the provision of existing law that imposes an excise tax on each bank at the rate of \$1,750 for each branch office of the bank in this State in excess of one branch office in each county. **Sections 1-7, 11-16 and 20-39** make conforming changes.

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 18 and 19** of this bill increase the annual state business license fee to \$500 for all corporations organized pursuant to the laws of this State and all foreign corporations transacting business in this State and to \$300 for all other businesses. **Section 17** of this bill requires a business to include in an application for the issuance or renewal of a state business license submitted between November 1, 2015, and October 31, 2021: (1) the business activity code of the business; (2) the gross receipts or sales of the business; and (3) whether those gross receipts or sales were the result of business conducted solely in this State or both within and outside this State.

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

Section 1. NRS 360.2937 is hereby amended to read as follows:

360.2937 1. Except as otherwise provided in this section and NRS 360.320 or any other specific statute, and notwithstanding the provisions of NRS 360.2935, interest must be paid upon an overpayment of any tax provided for in chapter 362, ~~363A,~~ 363B, 369, 370, 372, 374, 377, 377A or 377C of NRS, any fee provided for in NRS 444A.090 or 482.313, or any assessment provided for in NRS 585.497, at the rate of 0.25 percent per month from the last day of the calendar month following the period for which the overpayment was made.

2. No refund or credit may be made of any interest imposed on the person making the overpayment with respect to the amount being refunded or credited.

3. The interest must be paid:

(a) In the case of a refund, to the last day of the calendar month following the date upon which the person making the overpayment, if the person has not already filed a claim, is notified by the Department that a claim may be filed or the date upon which the claim is certified to the State Board of Examiners, whichever is earlier.

(b) In the case of a credit, to the same date as that to which interest is computed on the tax or the amount against which the credit is applied.



Sec. 2. NRS 360.300 is hereby amended to read as follows:

360.300 1. If a person fails to file a return or the Department is not satisfied with the return or returns of any tax, contribution or premium or amount of tax, contribution or premium required to be paid to the State by any person, in accordance with the applicable provisions of this chapter, chapter 360B, 362, ~~363A,~~ 363B, 369, 370, 372, 372A, 374, 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter 585 or 680B of NRS, as administered or audited by the Department, it may compute and determine the amount required to be paid upon the basis of:

(a) The facts contained in the return;

(b) Any information within its possession or that may come into its possession; or

(c) Reasonable estimates of the amount.

2. One or more deficiency determinations may be made with respect to the amount due for one or for more than one period.

3. In making its determination of the amount required to be paid, the Department shall impose interest on the amount of tax determined to be due, calculated at the rate and in the manner set forth in NRS 360.417, unless a different rate of interest is specifically provided by statute.

4. The Department shall impose a penalty of 10 percent in addition to the amount of a determination that is made in the case of the failure of a person to file a return with the Department.

5. When a business is discontinued, a determination may be made at any time thereafter within the time prescribed in NRS 360.355 as to liability arising out of that business, irrespective of whether the determination is issued before the due date of the liability.

Sec. 3. NRS 360.417 is hereby amended to read as follows:

360.417 Except as otherwise provided in NRS 360.232 and 360.320, and unless a different penalty or rate of interest is specifically provided by statute, any person who fails to pay any tax provided for in chapter 362, ~~363A,~~ 363B, 369, 370, 372, 374, 377, 377A, 377C, 444A or 585 of NRS, or any fee provided for in NRS 482.313, and any person or governmental entity that fails to pay any fee provided for in NRS 360.787, to the State or a county within the time required, shall pay a penalty of not more than 10 percent of the amount of the tax or fee which is owed, as determined by the Department, in addition to the tax or fee, plus interest at the rate of 0.75 percent per month, or fraction of a month, from the last day of the month following the period for which the amount or any portion of the amount should have been reported until the date of payment. The amount of any penalty imposed must be based on a graduated



1 schedule adopted by the Nevada Tax Commission which takes into
2 consideration the length of time the tax or fee remained unpaid.

3 **Sec. 4.** NRS 360.510 is hereby amended to read as follows:

4 360.510 1. If any person is delinquent in the payment of any
5 tax or fee administered by the Department or if a determination has
6 been made against the person which remains unpaid, the
7 Department may:

8 (a) Not later than 3 years after the payment became delinquent
9 or the determination became final; or

10 (b) Not later than 6 years after the last recording of an abstract
11 of judgment or of a certificate constituting a lien for tax owed,

12 ➤ give a notice of the delinquency and a demand to transmit
13 personally or by registered or certified mail to any person,
14 including, without limitation, any officer or department of this State
15 or any political subdivision or agency of this State, who has in his or
16 her possession or under his or her control any credits or other
17 personal property belonging to the delinquent, or owing any debts to
18 the delinquent or person against whom a determination has been
19 made which remains unpaid, or owing any debts to the delinquent or
20 that person. In the case of any state officer, department or agency,
21 the notice must be given to the officer, department or agency before
22 the Department presents the claim of the delinquent taxpayer to the
23 State Controller.

24 2. A state officer, department or agency which receives such a
25 notice may satisfy any debt owed to it by that person before it
26 honors the notice of the Department.

27 3. After receiving the demand to transmit, the person notified
28 by the demand may not transfer or otherwise dispose of the credits,
29 other personal property, or debts in his or her possession or under
30 his or her control at the time the person received the notice until the
31 Department consents to a transfer or other disposition.

32 4. Every person notified by a demand to transmit shall, within
33 10 days after receipt of the demand to transmit, inform the
34 Department of and transmit to the Department all such credits, other
35 personal property or debts in his or her possession, under his or her
36 control or owing by that person within the time and in the manner
37 requested by the Department. Except as otherwise provided in
38 subsection 5, no further notice is required to be served to that
39 person.

40 5. If the property of the delinquent taxpayer consists of a series
41 of payments owed to him or her, the person who owes or controls
42 the payments shall transmit the payments to the Department until
43 otherwise notified by the Department. If the debt of the delinquent
44 taxpayer is not paid within 1 year after the Department issued the
45 original demand to transmit, the Department shall issue another



1 demand to transmit to the person responsible for making the
2 payments informing him or her to continue to transmit payments to
3 the Department or that his or her duty to transmit the payments to
4 the Department has ceased.

5 6. If the notice of the delinquency seeks to prevent the transfer
6 or other disposition of a deposit in a bank or credit union or other
7 credits or personal property in the possession or under the control of
8 a bank, credit union or other depository institution, the notice must
9 be delivered or mailed to any branch or office of the bank, credit
10 union or other depository institution at which the deposit is carried
11 or at which the credits or personal property is held.

12 7. If any person notified by the notice of the delinquency
13 makes any transfer or other disposition of the property or debts
14 required to be withheld or transmitted, to the extent of the value of
15 the property or the amount of the debts thus transferred or paid, that
16 person is liable to the State for any indebtedness due pursuant to this
17 chapter, chapter 360B, 362, ~~363A,~~ 363B, 369, 370, 372, 372A,
18 374, 377, 377A, 377C or 444A of NRS, NRS 482.313, or chapter
19 585 or 680B of NRS from the person with respect to whose
20 obligation the notice was given if solely by reason of the transfer or
21 other disposition the State is unable to recover the indebtedness of
22 the person with respect to whose obligation the notice was given.

23 **Sec. 5.** NRS 360.759 is hereby amended to read as follows:

24 360.759 1. A producer of a qualified production that is
25 produced in this State in whole or in part may, on or before
26 December 31, 2017, apply to the Office of Economic Development
27 for a certificate of eligibility for transferable tax credits for any
28 qualified expenditures and production costs identified in NRS
29 360.7591. The transferable tax credits may be applied to:

30 (a) Any tax imposed by ~~chapters 363A and~~ **chapter** 363B of
31 NRS;

32 (b) The gaming license fees imposed by the provisions of
33 NRS 463.370;

34 (c) Any tax imposed pursuant to chapter 680B of NRS; or

35 (d) Any combination of the fees and taxes described in
36 paragraphs (a), (b) and (c).

37 2. The Office shall approve an application for a certificate of
38 eligibility for transferable tax credits if the Office finds that the
39 producer of the qualified production qualifies for the transferable tax
40 credits pursuant to subsection 3 and shall calculate the estimated
41 amount of the transferable tax credits pursuant to NRS 360.7592,
42 360.7593 and 360.7594.

43 3. To be eligible for transferable tax credits pursuant to this
44 section, a producer must:



(a) Submit an application that meets the requirements of subsection 4;

(b) Provide proof satisfactory to the Office that the qualified production is in the economic interest of the State;

(c) Provide proof satisfactory to the Office that 50 percent or more of the funding for the qualified production has been placed in an escrow account or trust account for the benefit of the qualified production;

(d) Provide proof satisfactory to the Office that at least 60 percent of the total qualified expenditures and production costs for the qualified production, including preproduction and postproduction, will be incurred in this State;

(e) At the completion of the qualified production, provide the Office with an audit of the qualified production that includes an itemized report of qualified expenditures and production costs which:

(1) Shows that the qualified production incurred qualified expenditures and production costs in this State of \$500,000 or more; and

(2) Is certified by an independent certified public accountant in this State who is approved by the Office;

(f) Pay the cost of the audit required by paragraph (e); and

(g) Meet any other requirements prescribed by regulation pursuant to this section.

4. An application submitted pursuant to subsection 3 must contain:

(a) A script, storyboard or synopsis of the qualified production;

(b) The names of the producer, director and proposed cast;

(c) An estimated timeline to complete the qualified production;

(d) A detailed budget for the entire production, including projected expenses incurred outside of Nevada;

(e) Details regarding the financing of the project, including, without limitation, any information relating to a binding financing commitment, loan application, commitment letter or investment letter;

(f) An insurance certificate, binder or quote for general liability insurance of \$1,000,000 or more;

(g) The business address of the producer, which must be an address in this State;

(h) Proof that the qualified production meets any applicable requirements relating to workers' compensation insurance;

(i) Proof that the producer has secured all licenses required to do business in each location in this State at which the qualified production will be produced; and



(j) Any other information required by regulations adopted by the Office pursuant to subsection 8.

5. If the Office approves an application for a certificate of eligibility for transferable tax credits pursuant to this section, the Office shall immediately forward a copy of the certificate of eligibility which identifies the estimated amount of the tax credits available pursuant to NRS 360.7592 to:

(a) The applicant;

(b) The Department; and

(c) The State Gaming Control Board.

6. Within 14 business days after receipt of an audit provided by the producer pursuant to paragraph (e) of subsection 3 and any other accountings or other information required by the Office, the Office shall determine whether to certify the audit and make a final determination of whether a certificate of transferable tax credits will be issued. If the Office certifies the audit and determines that all other requirements for the transferable tax credits have been met, the Office shall notify the producer that the transferable tax credits will be issued. Within 30 days after the receipt of the notice, the producer shall make an irrevocable declaration of the amount of transferable tax credits that will be applied to each fee or tax set forth in subsection 1, thereby accounting for all of the credits which will be issued. Upon receipt of the declaration, the Office shall issue to the eligible producer a certificate of transferable tax credits in the amount approved by the Office for the fees or taxes included in the declaration of the producer. The producer shall notify the Office upon transferring any of the transferable tax credits. The Office shall notify the Department and the State Gaming Control Board of all transferable tax credits issued, segregated by each fee or tax set forth in subsection 1, and the amount of any transferable tax credits transferred.

7. An applicant for transferable tax credits pursuant to this section shall, upon the request of the Executive Director of the Office, furnish the Executive Director with copies of all records necessary to verify that the applicant meets the requirements of subsection 3.

8. The Office:

(a) Shall adopt regulations prescribing:

(1) Any additional requirements to receive transferable tax credits;

(2) Any additional qualified expenditures or production costs that may serve as the basis for transferable tax credits pursuant to NRS 360.7591;

(3) Any additional information that must be included with an application pursuant to subsection 4;



- 1 (4) The application review process;
- 2 (5) Any type of qualified production which, due to obscene
- 3 or sexually explicit material, is not eligible for transferable tax
- 4 credits; and
- 5 (6) The requirements for notice pursuant to NRS 360.7595;
- 6 and
- 7 (b) May adopt any other regulations that are necessary to carry
- 8 out the provisions of NRS 360.758 to 360.7598, inclusive.
- 9 9. The Nevada Tax Commission and the Nevada Gaming
- 10 Commission:
- 11 (a) Shall adopt regulations prescribing the manner in which
- 12 transferable tax credits will be administered.
- 13 (b) May adopt any other regulations that are necessary to carry
- 14 out the provisions of NRS 360.758 to 360.7598, inclusive.
- 15 **Sec. 6.** NRS 360.910 is hereby amended to read as follows:
- 16 360.910 "Employer excise taxes" means the taxes imposed on
- 17 the wages paid by an employer pursuant to chapter ~~363A or~~ 363B
- 18 of NRS.
- 19 **Sec. 7.** NRS 360.945 is hereby amended to read as follows:
- 20 360.945 1. On behalf of a project, the lead participant in the
- 21 project may apply to the Office of Economic Development for:
- 22 (a) A certificate of eligibility for transferable tax credits which
- 23 may be applied to:
- 24 (1) Any tax imposed by ~~chapters 363A and~~ **chapter** 363B
- 25 of NRS;
- 26 (2) The gaming license fees imposed by the provisions of
- 27 NRS 463.370;
- 28 (3) Any tax imposed by chapter 680B of NRS; or
- 29 (4) Any combination of the fees and taxes described in
- 30 subparagraphs (1), (2) and (3).
- 31 (b) An abatement of property taxes, employer excise taxes or
- 32 local sales and use taxes, or any combination of any of those taxes.
- 33 2. For a project to be eligible for the transferable tax credits
- 34 described in paragraph (a) of subsection 1 and abatement of the
- 35 taxes described in paragraph (b) of subsection 1, the lead participant
- 36 in the project must, on behalf of the project:
- 37 (a) Submit an application that meets the requirements of
- 38 subsection 3;
- 39 (b) Provide documentation satisfactory to the Office that
- 40 approval of the application would promote the economic
- 41 development of this State and aid the implementation of the State
- 42 Plan for Economic Development developed by the Executive
- 43 Director of the Office pursuant to subsection 2 of NRS 231.053;
- 44 (c) Provide documentation satisfactory to the Office that the
- 45 participants in the project collectively will make a total new capital



1 investment of at least \$3.5 billion in this State within the 10-year
2 period immediately following approval of the application;

3 (d) Provide documentation satisfactory to the Office that the
4 participants in the project are engaged in a common purpose or
5 business endeavor;

6 (e) Provide documentation satisfactory to the Office that the
7 place of business of each participant is or will be located within the
8 geographic boundaries of the project site;

9 (f) Provide documentation satisfactory to the Office that each
10 participant in the project is registered pursuant to the laws of this
11 State or commits to obtaining a valid business license and all other
12 permits required by the county, city or town in which the project
13 operates;

14 (g) Provide documentation satisfactory to the Office of the
15 number of employees engaged or anticipated to be engaged in the
16 construction of the project;

17 (h) Provide documentation satisfactory to the Office of the
18 number of qualified employees employed or anticipated to be
19 employed at the project by the participants;

20 (i) Provide documentation satisfactory to the Office that each
21 employer engaged in the construction of the project provides a plan
22 of health insurance and that each employee engaged in the
23 construction of the project is offered coverage under the plan of
24 health insurance provided by his or her employer;

25 (j) Provide documentation satisfactory to the Office that each
26 participant in the project provides a plan of health insurance and that
27 each employee employed at the project by each participant is
28 offered coverage under the plan of health insurance provided by his
29 or her employer;

30 (k) Provide documentation satisfactory to the Office that at least
31 50 percent of the employees engaged or anticipated to be engaged in
32 construction of the project and 50 percent of the employees
33 employed at the project are residents of Nevada, unless waived by
34 the Executive Director of the Office upon proof satisfactory to the
35 Executive Director of the Office that there is an insufficient number
36 of Nevada residents available and qualified for such employment;

37 (l) Agree to provide the Office with a full compliance audit of
38 the participants in the project at the end of each fiscal year which:

39 (1) Shows the amount of money invested in this State by
40 each participant in the project;

41 (2) Shows the number of employees engaged in the
42 construction of the project and the number of those employees who
43 are residents of Nevada;



(3) Shows the number of employees employed at the project by each participant and the number of those employees who are residents of Nevada; and

(4) Is certified by an independent certified public accountant in this State who is approved by the Office;

(m) Pay the cost of the audit required by paragraph (l); and

(n) Meet any other requirements prescribed by the Office.

3. An application submitted pursuant to subsection 2 must include:

(a) A detailed description of the project, including a description of the common purpose or business endeavor in which the participants in the project are engaged;

(b) A detailed description of the location of the project, including a precise description of the geographic boundaries of the project site;

(c) The name and business address of each participant in the project, which must be an address in this State;

(d) A detailed description of the plan by which the participants in the project intend to comply with the requirement that the participants collectively make a total new capital investment of at least \$3.5 billion in this State in the 10-year period immediately following approval of the application;

(e) If the application includes one or more abatements, an agreement executed by the Office with the lead participant in the project which:

(1) Complies with the requirements of NRS 360.755;

(2) States that the project will, after the date on which a certificate of eligibility for the abatement is approved pursuant to NRS 360.965, continue in operation in this State for a period specified by the Office; and

(3) Binds successors in interest of the lead participant for the specified period; and

(f) Any other information required by the Office.

4. For an employee to be considered a resident of Nevada for the purposes of this section, each participant in the project must maintain the following documents in the personnel file of the employee:

(a) A copy of the current and valid Nevada driver's license of the employee or a current and valid identification card for the employee issued by the Department of Motor Vehicles;

(b) If the employee is a registered owner of one or more motor vehicles in Nevada, a copy of the current motor vehicle registration of at least one of those vehicles;

(c) Proof that the employee is employed full-time and scheduled to work for an average minimum of 30 hours per week; and



(d) Proof that the employee is offered coverage under a plan of health insurance provided by his or her employer.

5. For the purpose of obtaining from the Executive Director of the Office any waiver of the requirement set forth in paragraph (k) of subsection 2, the lead participant in the project must submit to the Executive Director of the Office written documentation of the efforts to meet the requirement and documented proof that an insufficient number of Nevada residents is available and qualified for employment.

6. The Executive Director of the Office shall make available to the public and post on the Internet website for the Office:

(a) Any request for a waiver of the requirements set forth in paragraph (k) of subsection 2; and

(b) Any approval of such a request for a waiver that is granted by the Executive Director of the Office.

7. The Executive Director of the Office shall post a request for a waiver of the requirements set forth in paragraph (k) of subsection 2 on the Internet website of the Office within 3 days after receiving the request and shall keep the request posted on the Internet website for not less than 5 days. The Executive Director of the Office shall ensure that the Internet website allows members of the public to post comments regarding the request.

8. The Executive Director of the Office shall consider any comments posted on the Internet website concerning any request for a waiver of the requirements set forth in paragraph (k) of subsection 2 before making a decision regarding whether to approve the request. If the Executive Director of the Office approves the request for a waiver, the Executive Director of the Office must post the approval on the Internet website of the Office within 3 days and ensure that the Internet website allows members of the public to post comments regarding the approval.

Sec. 8. NRS 363B.030 is hereby amended to read as follows:

363B.030 “Employer” means any employer who is required to pay a contribution pursuant to NRS 612.535 for any calendar quarter with respect to any business activity of the employer, except ~~for a~~ **financial institution,** an Indian tribe, a nonprofit organization, a political subdivision or any person who does not supply a product or service, but who only consumes a service. For the purposes of this section:

1. ~~“Financial institution” has the meaning ascribed to it in NRS 363A.050.~~

~~—2.~~ “Indian tribe” includes any entity described in subsection 10 of NRS 612.055.



~~13.1~~ 2. "Nonprofit organization" means a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).

~~14.1~~ 3. "Political subdivision" means any entity described in subsection 9 of NRS 612.055.

Sec. 9. NRS 363B.110 is hereby amended to read as follows:

363B.110 1. There is hereby imposed an excise tax on each employer at the rate of ~~10.63~~ 1.56 percent of the *amount by which the sum of all the* wages, as defined in NRS 612.190, paid by the employer during a calendar quarter with respect to employment in connection with the business activities of the employer ~~if exceeds~~ *\$50,000.*

2. The tax imposed by this section:

(a) Does not apply to any person or other entity or any wages this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

(b) Must not be deducted, in whole or in part, from any wages of persons in the employment of the employer.

3. Each employer shall, on or before the last day of the month immediately following each calendar quarter for which the employer is required to pay a contribution pursuant to NRS 612.535:

(a) File with the Department a return on a form prescribed by the Department; and

(b) Remit to the Department any tax due pursuant to this chapter for that calendar quarter.

Sec. 10. Chapter 40 of NRS is hereby amended by adding thereto the provisions set forth as sections 11, 12 and 13 of this act.

Sec. 11. *As used in NRS 40.451 to 40.463, inclusive, and sections 11, 12 and 13 of this act, unless the context otherwise requires, the words and terms defined in NRS 40.451 and sections 12 and 13 of this act have the meanings ascribed to them in those sections.*

Sec. 12. *"Business activity" means the performance of a service or engagement in a trade for profit.*

Sec. 13. 1. *Except as otherwise provided in subsection 2, "financial institution" means:*

(a) An institution licensed, registered or otherwise authorized to do business in this State pursuant to the provisions of title 55 or 56 of NRS or chapter 604A, 645B or 645E of NRS, or a similar institution chartered or licensed pursuant to federal law;

(b) A person licensed or registered or required to be licensed or registered pursuant to NRS 90.310, 90.330, 90.453, 686A.340 or 688C.190;



(c) A person holding or required to hold a solicitation permit or license pursuant to NRS 692B.040, 692B.190 or 692B.260;

(d) A person designated or registered or required to be designated or registered pursuant to the Commodity Exchange Act, 7 U.S.C. §§ 1 et seq., the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a et seq., the Public Utility Holding Company Act of 2005, 42 U.S.C. §§ 16451 et seq., the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1 et seq., or the Investment Advisers Act of 1940, 15 U.S.C. §§ 806-1 et seq., as amended;

(e) A person licensed pursuant to 7 U.S.C. § 2009cc-3 to operate as a rural business investment company;

(f) A person registered or required to be registered as a savings and loan holding company pursuant to 12 U.S.C. § 1467a;

(g) A person registered or required to be registered as a bank holding company pursuant to 12 U.S.C. § 1844;

(h) An investment bank holding company supervised pursuant to 15 U.S.C. § 78q;

(i) A person electing to be treated as a business development company pursuant to 15 U.S.C. § 80a-53;

(j) A person licensed pursuant to 15 U.S.C. § 681 to operate as a small business investment company;

(k) A person granted final approval pursuant to 15 U.S.C. § 689c to operate as a New Markets Venture Capital Company;

(l) A person qualifying as and electing to be considered a real estate investment trust pursuant to 26 U.S.C. § 856;

(m) A bank, as defined in 12 U.S.C. § 1813(a);

(n) A savings association, as defined in 12 U.S.C. § 1813(b);

(o) A savings bank, as defined in 12 U.S.C. § 1813(g);

(p) A thrift institution, as defined in 12 U.S.C. § 1841(i);

(q) A national banking association organized under the National Bank Act, 12 U.S.C. §§ 21 et seq.;

(r) An entity that is related to any of the entities described in paragraphs (a), (b), (d) to (k), inclusive, and (m) to (q), inclusive, regardless of whether the entity described in any of those paragraphs is doing business in this State; and

(s) An issuer or a service provider,

↪ who is conducting a business activity in this State.

2. The term does not include:

(a) A credit union organized under the provisions of chapter 678 of NRS or the Federal Credit Union Act, 12 U.S.C. §§ 1751 et seq.;

(b) A federal land credit association, farm credit bank, agricultural credit association or similar institution organized under the provisions of the Farm Credit Act, 12 U.S.C. §§ 2001 et seq.; and



(c) Any person or other entity that this State is prohibited from taxing under the Constitution, laws or treaties of the United States or the Nevada Constitution.

3. For the purposes of this section:

(a) “Credit card” has the meaning ascribed to it in NRS 97A.050.

(b) “Entity” includes, without limitation, any corporation, limited-liability company, association, organization, company, firm, partnership, joint venture, trust, business trust, receiver, trustee, syndicate, cooperative or assignee, or any other group or combination acting as a unit.

(c) “Issuer” has the meaning ascribed to it in NRS 97A.100, except that the term does not include a seller of goods or provider of services who issues a credit card for the purpose of providing or extending credit only in connection with the goods he or she sells or the services he or she provides.

(d) Entities are “related” if at least 50 percent of the interest, either by vote or value, in each entity is owned, either directly or indirectly, by the same entity, including either of those entities.

(e) “Service provider” has the meaning ascribed to it in NRS 97A.130, except that the term does not include a service provider who acts in that capacity solely on behalf of a seller of goods or provider of services who issues a credit card for the purpose of providing or extending credit only in connection with the goods he or she sells or the services he or she provides.

Sec. 14. NRS 40.451 is hereby amended to read as follows:

40.451 ~~{As used in NRS 40.451 to 40.463, inclusive, “indebtedness”}~~ “Indebtedness” means the principal balance of the obligation secured by a mortgage or other lien on real property, together with all interest accrued and unpaid prior to the time of foreclosure sale, all costs and fees of such a sale, all advances made with respect to the property by the beneficiary, and all other amounts secured by the mortgage or other lien on the real property in favor of the person seeking the deficiency judgment. Such amount constituting a lien is limited to the amount of the consideration paid by the lienholder.

Sec. 15. NRS 40.455 is hereby amended to read as follows:

40.455 1. Except as otherwise provided in subsection 3, upon application of the judgment creditor or the beneficiary of the deed of trust within 6 months after the date of the foreclosure sale or the trustee’s sale held pursuant to NRS 107.080, respectively, and after the required hearing, the court shall award a deficiency judgment to the judgment creditor or the beneficiary of the deed of trust if it appears from the sheriff’s return or the recital of consideration in the trustee’s deed that there is a deficiency of the proceeds of the sale



1 and a balance remaining due to the judgment creditor or the
2 beneficiary of the deed of trust, respectively.

3 2. If the indebtedness is secured by more than one parcel of
4 real property, more than one interest in the real property or more
5 than one mortgage or deed of trust, the 6-month period begins to run
6 after the date of the foreclosure sale or trustee's sale of the last
7 parcel or other interest in the real property securing the
8 indebtedness, but in no event may the application be filed more than
9 2 years after the initial foreclosure sale or trustee's sale.

10 3. If the judgment creditor or the beneficiary of the deed of
11 trust is a financial institution, the court may not award a deficiency
12 judgment to the judgment creditor or the beneficiary of the deed of
13 trust, even if there is a deficiency of the proceeds of the sale and a
14 balance remaining due the judgment creditor or beneficiary of the
15 deed of trust, if:

16 (a) The real property is a single-family dwelling and the debtor
17 or grantor was the owner of the real property at the time of the
18 foreclosure sale or trustee's sale;

19 (b) The debtor or grantor used the amount for which the real
20 property was secured by the mortgage or deed of trust to purchase
21 the real property;

22 (c) The debtor or grantor continuously occupied the real
23 property as the debtor's or grantor's principal residence after
24 securing the mortgage or deed of trust; and

25 (d) The debtor or grantor did not refinance the mortgage or deed
26 of trust after securing it.

27 ~~{4. As used in this section, "financial institution" has the~~
28 ~~meaning ascribed to it in NRS 363A.050.}~~

29 **Sec. 16.** NRS 40.4638 is hereby amended to read as follows:

30 40.4638 1. A person to whom an obligation secured by a
31 junior mortgage or lien on real property is owed may not bring any
32 action to enforce that obligation after a foreclosure sale of the real
33 property which secured that obligation or a sale in lieu of a
34 foreclosure sale if:

35 (a) The person is a financial institution;

36 (b) The real property which secured the obligation is a single-
37 family dwelling and the debtor or grantor was the owner of the real
38 property at the time of the foreclosure sale or sale in lieu of a
39 foreclosure sale;

40 (c) The debtor or grantor used the amount of the obligation to
41 purchase the real property;

42 (d) The debtor or grantor continuously occupied the real
43 property as the debtor's or grantor's principal residence after
44 securing the obligation; and



(e) The debtor or grantor did not refinance the obligation after securing it.

2. As used in this section, “financial institution” has the meaning ascribed to it in ~~NRS 363A.050.~~ *section 13 of this act.*

Sec. 17. Chapter 76 of NRS is hereby amended by adding thereto a new section to read as follows:

1. In addition to the information required to be included in an application for the issuance or renewal of a state business license submitted pursuant to NRS 76.100 or 76.130, respectively, each application for the issuance or renewal of a state business license must include the following information:

(a) If the applicant was required to file a federal income tax return for the immediately preceding federal taxable year, the principal business activity code, if any, indicated on the federal income tax return of the applicant for the immediately preceding taxable year;

(b) If the applicant was required to file a federal income tax return for the immediately preceding federal taxable year and was treated for the purposes of that return as a corporation, the amount reported on line 1a of Internal Revenue Service Form 1120 or 1120S, or the equivalent or successor of those forms, whichever is applicable, as gross receipts or sales for the immediately preceding federal taxable year;

(c) If the applicant was required to file a federal income tax return for the immediately preceding federal taxable year and was treated for the purposes of that return as a partnership, the amount reported on line 1a of Internal Revenue Service Form 1065, or its equivalent or successor form, as gross receipts or sales for the immediately preceding federal taxable year;

(d) If the applicant was required to file a Schedule C (Form 1040), Profit or Loss From Business, or its equivalent or successor form, for the immediately preceding federal taxable year, the amount reported on line 1 of that Schedule, or its equivalent or successor form, as gross receipts or sales;

(e) If the applicant did not file any of the forms or schedules listed in paragraph (b), (c) or (d), the amount of the gross receipts or sales of the applicant from conducting a business for the immediately preceding calendar year; and

(f) If the applicant included in the application the information listed in paragraph (b), (c) or (d), whether the amounts reported pursuant to those paragraphs were the result of business conducted solely in this State or whether those amounts were the result of business conducted both within and outside this State.

2. Upon request of the Fiscal Analysis Division of the Legislative Counsel Bureau, the Secretary of State shall provide to



1 *the Fiscal Analysis Division the information collected for each*
2 *applicant pursuant to subsection 1.*

3 3. *Except as otherwise provided in:*

4 (a) *Subsection 2 or another specific statute, the Secretary of*
5 *State shall not disclose any information reported to the Secretary*
6 *of State pursuant to this section.*

7 (b) *This paragraph or another specific statute, any*
8 *information obtained by the Fiscal Analysis Division pursuant to*
9 *subsection 2 shall be deemed a work product that is confidential*
10 *pursuant to NRS 218F.150. The Fiscal Analysis Division may*
11 *analyze the information and issue written reports based on that*
12 *information but shall not disclose any proprietary or confidential*
13 *information obtained from the Secretary of State pursuant to*
14 *subsection 2.*

15 **Sec. 18.** NRS 76.100 is hereby amended to read as follows:

16 76.100 1. A person shall not conduct a business in this State
17 unless and until the person obtains a state business license issued by
18 the Secretary of State. If the person is:

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

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

25 2. An application for a state business license must:

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

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

33 (c) Be accompanied by a fee in the amount of ~~1500~~ \$300,
34 *except that if the applicant is a corporation organized pursuant to*
35 *chapter 78, 78A or 78B of NRS, or a foreign corporation required*
36 *to file an initial or annual list with the Secretary of State pursuant*
37 *to chapter 80 of NRS, the application must be accompanied by a*
38 *fee of \$500; and*

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

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



- 1 3. The application must be signed pursuant to NRS 239.330 by:
2 (a) The owner of a business that is owned by a natural person.
3 (b) A member or partner of an association or partnership.
4 (c) A general partner of a limited partnership.
5 (d) A managing partner of a limited-liability partnership.
6 (e) A manager or managing member of a limited-liability
7 company.

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

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

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

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

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

23 (1) Chapter 82 or 84 of NRS; or

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

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

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

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

31 7. As used in this section, “registered agent” has the meaning
32 ascribed to it in NRS 77.230.

33 **Sec. 19.** NRS 76.130 is hereby amended to read as follows:

34 76.130 1. ~~{A}~~ **Except as otherwise provided in subsection 2,**
35 **a** person who applies for renewal of a state business license shall
36 submit a fee in the amount of ~~[\$100]~~ **\$300** to the Secretary of State:

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

42 (b) If the person is not an entity required to file an annual list
43 with the Secretary of State pursuant to this title, on the last day of
44 the month in which the anniversary date of issuance of the state
45 business license occurs in each year, unless the person submits a



1 written statement to the Secretary of State, at least 10 days before
2 that date, indicating that the person will not be conducting a
3 business in this State after that date.

4 2. *If the person applying for the renewal of a state business*
5 *license pursuant to subsection 1 is a corporation organized*
6 *pursuant to chapter 78, 78A or 78B of NRS, or a foreign*
7 *corporation required to file an initial or annual list with the*
8 *Secretary of State pursuant to chapter 80 of NRS, the fee for the*
9 *renewal of a state business license is \$500.*

10 3. The Secretary of State shall, 90 days before the last day for
11 filing an application for renewal of the state business license of a
12 person who holds a state business license, provide to the person a
13 notice of the state business license fee due pursuant to this section
14 and a reminder to file the application for renewal required pursuant
15 to this section. Failure of any person to receive a notice does not
16 excuse the person from the penalty imposed by law.

17 ~~3.3~~ 4. If a person fails to submit the annual state business
18 license fee required pursuant to this section in a timely manner and
19 the person is:

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

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

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

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

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

35 (1) Must include a statement indicating the amount of the
36 fees and penalties required pursuant to this section and the costs
37 remaining unpaid.

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

41 **Sec. 20.** NRS 90.420 is hereby amended to read as follows:

42 90.420 1. The Administrator by order may deny, suspend or
43 revoke any license, fine any licensed person, limit the activities
44 governed by this chapter that an applicant or licensed person may
45 perform in this State, bar an applicant or licensed person from



1 association with a licensed broker-dealer or investment adviser or
2 bar from employment with a licensed broker-dealer or investment
3 adviser a person who is a partner, officer, director, sales
4 representative, investment adviser or representative of an investment
5 adviser, or a person occupying a similar status or performing a
6 similar function for an applicant or licensed person, if the
7 Administrator finds that the order is in the public interest and that
8 the applicant or licensed person or, in the case of a broker-dealer or
9 investment adviser, any partner, officer, director, sales
10 representative, investment adviser, representative of an investment
11 adviser, or person occupying a similar status or performing similar
12 functions or any person directly or indirectly controlling the broker-
13 dealer or investment adviser, or any transfer agent or any person
14 directly or indirectly controlling the transfer agent:

15 (a) Has filed an application for licensing with the Administrator
16 which, as of its effective date, or as of any date after filing in the
17 case of an order denying effectiveness, was incomplete in a material
18 respect or contained a statement that was, in light of the
19 circumstances under which it was made, false or misleading with
20 respect to a material fact;

21 (b) Has violated or failed to comply with a provision of this
22 chapter as now or formerly in effect or a regulation or order adopted
23 or issued under this chapter;

24 (c) Is the subject of an adjudication or determination after notice
25 and opportunity for hearing, within the last 5 years by a securities
26 agency or administrator of another state or a court of competent
27 jurisdiction that the person has violated the Securities Act of 1933,
28 the Securities Exchange Act of 1934, the Investment Advisers Act
29 of 1940, the Investment Company Act of 1940, the Commodity
30 Exchange Act or the securities law of any other state, but only if the
31 acts constituting the violation of that state's law would constitute a
32 violation of this chapter had the acts taken place in this State;

33 (d) Has been convicted of a felony or, within the previous 10
34 years has been convicted of a misdemeanor, which the
35 Administrator finds:

36 (1) Involves the purchase or sale of a security, taking a false
37 oath, making a false report, bribery, perjury, burglary, robbery or
38 conspiracy to commit any of the foregoing offenses;

39 (2) Arises out of the conduct of business as a broker-dealer,
40 investment adviser, depository institution, insurance company or
41 fiduciary;

42 (3) Involves the larceny, theft, robbery, extortion, forgery,
43 counterfeiting, fraudulent concealment, embezzlement, fraudulent
44 conversion or misappropriation of money or securities or conspiracy
45 to commit any of the foregoing offenses; or



1 (4) Involves moral turpitude;

2 (e) Is or has been permanently or temporarily enjoined by any
3 court of competent jurisdiction, unless the order has been vacated,
4 from acting as an investment adviser, representative of an
5 investment adviser, underwriter, broker-dealer or as an affiliated
6 person or employee of an investment company, depository
7 institution or insurance company or from engaging in or continuing
8 any conduct or practice in connection with any of the foregoing
9 activities or in connection with the purchase or sale of a security;

10 (f) Is or has been the subject of an order of the Administrator,
11 unless the order has been vacated, denying, suspending or revoking
12 the person's license as a broker-dealer, sales representative,
13 investment adviser, representative of an investment adviser or
14 transfer agent;

15 (g) Is or has been the subject of any of the following orders
16 which were issued within the last 5 years, unless the order has been
17 vacated:

18 (1) An order by the securities agency or administrator of
19 another state, jurisdiction, Canadian province or territory, the
20 Commodity Futures Trading Commission, or by the Securities and
21 Exchange Commission or a comparable regulatory agency of
22 another country, entered after notice and opportunity for hearing,
23 denying, suspending or revoking the person's license as a broker-
24 dealer, sales representative, investment adviser, representative of an
25 investment adviser or transfer agent;

26 (2) A suspension or expulsion from membership in or
27 association with a member of a self-regulatory organization;

28 (3) An order by a self-regulatory organization that prohibits
29 the person from serving, indefinitely or for a specified period, as a
30 principal or in a supervisory capacity within a business or
31 organization which is a member of a self-regulatory organization;

32 (4) An order of the United States Postal Service relating to
33 fraud;

34 (5) An order to cease and desist entered after notice and
35 opportunity for hearing by the Administrator, the securities agency
36 or administrator of another state, jurisdiction, Canadian province or
37 territory, the Securities and Exchange Commission or a comparable
38 regulatory agency of another country, or the Commodity Futures
39 Trading Commission; or

40 (6) An order by the Commodity Futures Trading
41 Commission denying, suspending or revoking registration under the
42 Commodity Exchange Act;

43 (h) Has engaged in unethical or dishonest practices in the
44 securities business;



(i) Is insolvent, either in the sense that liabilities exceed assets or in the sense that obligations cannot be met as they mature, but the Administrator may not enter an order against a broker-dealer or investment adviser under this paragraph without a finding of insolvency as to the broker-dealer or investment adviser;

(j) Has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(k) Is determined by the Administrator in compliance with NRS 90.430 not to be qualified on the basis of lack of training, experience and knowledge of the securities business; or

(l) Has failed reasonably to supervise a sales representative, employee or representative of an investment adviser.

2. The Administrator may not institute a proceeding on the basis of a fact or transaction known to the director when the license became effective unless the proceeding is instituted within 90 days after issuance of the license.

3. If the Administrator finds that an applicant or licensed person is no longer in existence or has ceased to do business as a broker-dealer, sales representative, investment adviser, representative of an investment adviser or transfer agent or is adjudicated mentally incompetent or subjected to the control of a committee, conservator or guardian or cannot be located after reasonable search, the Administrator may by order deny the application or revoke the license.

Sec. 21. NRS 90.730 is hereby amended to read as follows:

90.730 1. Except as otherwise provided in subsection 2, information and records filed with or obtained by the Administrator are public information and are available for public examination.

2. Except as otherwise provided in subsections 3 and 4 and NRS 239.0115, the following information and records do not constitute public information under subsection 1 and are confidential:

(a) Information or records obtained by the Administrator in connection with an investigation concerning possible violations of this chapter; and

(b) Information or records filed with the Administrator in connection with a registration statement filed under this chapter or a report under NRS 90.390 which constitute trade secrets or commercial or financial information of a person for which that person is entitled to and has asserted a claim of privilege or confidentiality authorized by law.

3. The Administrator may submit any information or evidence obtained in connection with an investigation to the:

(a) Attorney General or appropriate district attorney for the purpose of prosecuting a criminal action under this chapter; and



(b) Department of Taxation for its use in carrying out the provisions of chapter ~~363A~~ 363B of NRS.

4. The Administrator may disclose any information obtained in connection with an investigation pursuant to NRS 90.620 to the agencies and administrators specified in subsection 1 of NRS 90.740 but only if disclosure is provided for the purpose of a civil, administrative or criminal investigation or proceeding, and the receiving agency or administrator represents in writing that under applicable law protections exist to preserve the integrity, confidentiality and security of the information.

5. This chapter does not create any privilege or diminish any privilege existing at common law, by statute, regulation or otherwise.

Sec. 22. NRS 604A.820 is hereby amended to read as follows:

604A.820 1. If the Commissioner has reason to believe that grounds for revocation or suspension of a license exist, the Commissioner shall give 20 days' written notice to the licensee stating the contemplated action and, in general, the grounds therefor and set a date for a hearing.

2. At the conclusion of a hearing, the Commissioner shall:

(a) Enter a written order either dismissing the charges, revoking the license or suspending the license for a period of not more than 60 days, which period must include any prior temporary suspension. The Commissioner shall send a copy of the order to the licensee by registered or certified mail.

(b) Impose upon the licensee an administrative fine of not more than \$10,000 for each violation by the licensee of any provision of this chapter or any regulation adopted pursuant thereto.

(c) If a fine is imposed pursuant to this section, enter such order as is necessary to recover the costs of the proceeding, including investigative costs and attorney's fees of the Commissioner.

3. The grounds for revocation or suspension of a license are that:

(a) The licensee has failed to pay the annual license fee;

(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter or any lawful regulation adopted pursuant thereto;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license pursuant to the provisions of this chapter; or

(e) The licensee:



(1) Failed to open an office for the conduct of the business authorized by his or her license within 180 days after the date the license was issued; or

(2) Has failed to remain open for the conduct of the business for a period of 180 days without good cause therefor.

4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 23. NRS 612.265 is hereby amended to read as follows:

612.265 1. Except as otherwise provided in this section and NRS 239.0115 and 612.642, information obtained from any employing unit or person pursuant to the administration of this chapter and any determination as to the benefit rights of any person is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's or employing unit's identity.

2. Any claimant or a legal representative of a claimant is entitled to information from the records of the Division, to the extent necessary for the proper presentation of the claimant's claim in any proceeding pursuant to this chapter. A claimant or an employing unit is not entitled to information from the records of the Division for any other purpose.

3. Subject to such restrictions as the Administrator may by regulation prescribe, the information obtained by the Division may be made available to:

(a) Any agency of this or any other state or any federal agency charged with the administration or enforcement of laws relating to unemployment compensation, public assistance, workers' compensation or labor and industrial relations, or the maintenance of a system of public employment offices;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; and

(e) The State Contractors' Board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

➔ Information obtained in connection with the administration of the Division may be made available to persons or agencies for purposes appropriate to the operation of a public employment service or a public assistance program.



4. Upon written request made by a public officer of a local government, the Administrator shall furnish from the records of the Division the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by the proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. Except as otherwise provided in NRS 239.0115, the information obtained by the local government is confidential and may not be used or disclosed for any purpose other than the collection of a debt or obligation owed to that local government. The Administrator may charge a reasonable fee for the cost of providing the requested information.

5. The Administrator may publish or otherwise provide information on the names of employers, their addresses, their type or class of business or industry, and the approximate number of employees employed by each such employer, if the information released will assist unemployed persons to obtain employment or will be generally useful in developing and diversifying the economic interests of this State. Upon request by a state agency which is able to demonstrate that its intended use of the information will benefit the residents of this State, the Administrator may, in addition to the information listed in this subsection, disclose the number of employees employed by each employer and the total wages paid by each employer. The Administrator may charge a fee to cover the actual costs of any administrative expenses relating to the disclosure of this information to a state agency. The Administrator may require the state agency to certify in writing that the agency will take all actions necessary to maintain the confidentiality of the information and prevent its unauthorized disclosure.

6. Upon request therefor, the Administrator shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment, and may furnish to any state agency similarly charged, the name, address, ordinary occupation and employment status of each recipient of benefits and the recipient's rights to further benefits pursuant to this chapter.

7. To further a current criminal investigation, the chief executive officer of any law enforcement agency of this State may submit a written request to the Administrator that the Administrator furnish, from the records of the Division, the name, address and place of employment of any person listed in the records of employment of the Division. The request must set forth the social security number of the person about whom the request is made and



1 contain a statement signed by the chief executive officer certifying
2 that the request is made to further a criminal investigation currently
3 being conducted by the agency. Upon receipt of such a request, the
4 Administrator shall furnish the information requested. The
5 Administrator may charge a fee to cover the actual costs of any
6 related administrative expenses.

7 8. In addition to the provisions of subsection 5, the
8 Administrator shall provide lists containing the names and addresses
9 of employers, and information regarding the wages paid by each
10 employer to the Department of Taxation, upon request, for use in
11 verifying returns for the taxes imposed pursuant to ~~chapters 363A~~
12 ~~and~~ chapter 363B of NRS. The Administrator may charge a fee to
13 cover the actual costs of any related administrative expenses.

14 9. A private carrier that provides industrial insurance in this
15 State shall submit to the Administrator a list containing the name of
16 each person who received benefits pursuant to chapters 616A to
17 616D, inclusive, or chapter 617 of NRS during the preceding month
18 and request that the Administrator compare the information so
19 provided with the records of the Division regarding persons
20 claiming benefits pursuant to this chapter for the same period. The
21 information submitted by the private carrier must be in a form
22 determined by the Administrator and must contain the social
23 security number of each such person. Upon receipt of the request,
24 the Administrator shall make such a comparison and, if it appears
25 from the information submitted that a person is simultaneously
26 claiming benefits under this chapter and under chapters 616A to
27 616D, inclusive, or chapter 617 of NRS, the Administrator shall
28 notify the Attorney General or any other appropriate law
29 enforcement agency. The Administrator shall charge a fee to cover
30 the actual costs of any related administrative expenses.

31 10. The Administrator may request the Comptroller of the
32 Currency of the United States to cause an examination of the
33 correctness of any return or report of any national banking
34 association rendered pursuant to the provisions of this chapter, and
35 may in connection with the request transmit any such report or
36 return to the Comptroller of the Currency of the United States as
37 provided in section 3305(c) of the Internal Revenue Code of 1954.

38 11. If any employee or member of the Board of Review, the
39 Administrator or any employee of the Administrator, in violation of
40 the provisions of this section, discloses information obtained from
41 any employing unit or person in the administration of this chapter,
42 or if any person who has obtained a list of applicants for work, or of
43 claimants or recipients of benefits pursuant to this chapter uses or
44 permits the use of the list for any political purpose, he or she is
45 guilty of a gross misdemeanor.



12. All letters, reports or communications of any kind, oral or written, from the employer or employee to each other or to the Division or any of its agents, representatives or employees are privileged and must not be the subject matter or basis for any lawsuit if the letter, report or communication is written, sent, delivered or prepared pursuant to the requirements of this chapter.

Sec. 24. NRS 616B.012 is hereby amended to read as follows:

616B.012 1. Except as otherwise provided in this section and NRS 239.0115, 616B.015, 616B.021 and 616C.205, information obtained from any insurer, employer or employee is confidential and may not be disclosed or be open to public inspection in any manner which would reveal the person's identity.

2. Any claimant or legal representative of the claimant is entitled to information from the records of the insurer, to the extent necessary for the proper presentation of a claim in any proceeding under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

3. The Division and Administrator are entitled to information from the records of the insurer which is necessary for the performance of their duties. The Administrator may, by regulation, prescribe the manner in which otherwise confidential information may be made available to:

(a) Any agency of this or any other state charged with the administration or enforcement of laws relating to industrial insurance, unemployment compensation, public assistance or labor law and industrial relations;

(b) Any state or local agency for the enforcement of child support;

(c) The Internal Revenue Service of the Department of the Treasury;

(d) The Department of Taxation; and

(e) The State Contractors' Board in the performance of its duties to enforce the provisions of chapter 624 of NRS.

➤ Information obtained in connection with the administration of a program of industrial insurance may be made available to persons or agencies for purposes appropriate to the operation of a program of industrial insurance.

4. Upon written request made by a public officer of a local government, an insurer shall furnish from its records the name, address and place of employment of any person listed in its records. The request must set forth the social security number of the person about whom the request is made and contain a statement signed by proper authority of the local government certifying that the request is made to allow the proper authority to enforce a law to recover a debt or obligation owed to the local government. Except as otherwise provided in NRS 239.0115, the information obtained by



1 the local government is confidential and may not be used or
2 disclosed for any purpose other than the collection of a debt or
3 obligation owed to the local government. The insurer may charge a
4 reasonable fee for the cost of providing the requested information.

5 5. To further a current criminal investigation, the chief
6 executive officer of any law enforcement agency of this State may
7 submit to the Administrator a written request for the name, address
8 and place of employment of any person listed in the records of an
9 insurer. The request must set forth the social security number of the
10 person about whom the request is made and contain a statement
11 signed by the chief executive officer certifying that the request is
12 made to further a criminal investigation currently being conducted
13 by the agency. Upon receipt of a request, the Administrator shall
14 instruct the insurer to furnish the information requested. Upon
15 receipt of such an instruction, the insurer shall furnish the
16 information requested. The insurer may charge a reasonable fee to
17 cover any related administrative expenses.

18 6. Upon request by the Department of Taxation, the
19 Administrator shall provide:

20 (a) Lists containing the names and addresses of employers; and

21 (b) Other information concerning employers collected and
22 maintained by the Administrator or the Division to carry out the
23 purposes of chapters 616A to 616D, inclusive, or chapter 617 of
24 NRS,

25 ➤ to the Department for its use in verifying returns for the taxes
26 imposed pursuant to ~~chapters 363A and~~ **chapter** 363B of NRS.
27 The Administrator may charge a reasonable fee to cover any related
28 administrative expenses.

29 7. Any person who, in violation of this section, discloses
30 information obtained from files of claimants or policyholders or
31 obtains a list of claimants or policyholders under chapters 616A to
32 616D, inclusive, or chapter 617 of NRS and uses or permits the use
33 of the list for any political purposes, is guilty of a gross
34 misdemeanor.

35 8. All letters, reports or communications of any kind, oral or
36 written, from the insurer, or any of its agents, representatives or
37 employees are privileged and must not be the subject matter or basis
38 for any lawsuit if the letter, report or communication is written, sent,
39 delivered or prepared pursuant to the requirements of chapters 616A
40 to 616D, inclusive, or chapter 617 of NRS.

41 9. The provisions of this section do not prohibit the
42 Administrator or the Division from disclosing any nonproprietary
43 information relating to an uninsured employer or proof of industrial
44 insurance.



Sec. 25. NRS 645B.060 is hereby amended to read as follows:

645B.060 1. Subject to the administrative control of the Director of the Department of Business and Industry, the Commissioner shall exercise general supervision and control over mortgage brokers and mortgage agents doing business in this State.

2. In addition to the other duties imposed upon him or her by law, the Commissioner shall:

(a) Adopt regulations:

(1) Setting forth the requirements for an investor to acquire ownership of or a beneficial interest in a loan secured by a lien on real property. The regulations must include, without limitation, the minimum financial conditions that the investor must comply with before becoming an investor.

(2) Establishing reasonable limitations and guidelines on loans made by a mortgage broker to a director, officer, mortgage agent or employee of the mortgage broker.

(b) Adopt any other regulations that are necessary to carry out the provisions of this chapter, except as to loan brokerage fees.

(c) Conduct such investigations as may be necessary to determine whether any person has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

(d) Except as otherwise provided in subsection 4, conduct an annual examination of each mortgage broker doing business in this State. The annual examination must include, without limitation, a formal exit review with the mortgage broker. The Commissioner shall adopt regulations prescribing:

(1) Standards for determining the rating of each mortgage broker based upon the results of the annual examination; and

(2) Procedures for resolving any objections made by the mortgage broker to the results of the annual examination. The results of the annual examination may not be opened to public inspection pursuant to NRS 645B.090 until after a period of time set by the Commissioner to determine any objections made by the mortgage broker.

(e) Conduct such other examinations, periodic or special audits, investigations and hearings as may be necessary for the efficient administration of the laws of this State regarding mortgage brokers and mortgage agents. The Commissioner shall adopt regulations specifying the general guidelines that will be followed when a periodic or special audit of a mortgage broker is conducted pursuant to this chapter.

(f) Classify as confidential certain records and information obtained by the Division when those matters are obtained from a



governmental agency upon the express condition that they remain confidential. This paragraph does not limit examination by:

(1) The Legislative Auditor; or

(2) The Department of Taxation if necessary to carry out the provisions of chapter ~~363A~~ 363B of NRS.

(g) Conduct such examinations and investigations as are necessary to ensure that mortgage brokers and mortgage agents meet the requirements of this chapter for obtaining a license, both at the time of the application for a license and thereafter on a continuing basis.

3. For each special audit, investigation or examination, a mortgage broker or mortgage agent shall pay a fee based on the rate established pursuant to NRS 645F.280.

4. The Commissioner may conduct examinations of a mortgage broker, as described in paragraph (d) of subsection 2, on a biennial instead of an annual basis if the mortgage broker:

(a) Received a rating in the last annual examination that meets a threshold determined by the Commissioner;

(b) Has not had any adverse change in financial condition since the last annual examination, as shown by financial statements of the mortgage broker;

(c) Has not had any complaints received by the Division that resulted in any administrative action by the Division; and

(d) Does not maintain any trust accounts pursuant to NRS 645B.170 or 645B.175 or arrange loans funded by private investors.

Sec. 26. NRS 645B.670 is hereby amended to read as follows:

645B.670 1. Except as otherwise provided in NRS 645B.690:

(a) For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not the applicant is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than \$25,000 if the applicant:

(1) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(2) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by the applicant, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(3) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his or her application for a license or during the course of the investigation of his or her application for a license.

(b) For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more than \$25,000, may suspend, revoke



1 or place conditions upon the mortgage broker's license, or may do
2 both, if the mortgage broker, whether or not acting as such:

3 (1) Is insolvent;

4 (2) Is grossly negligent or incompetent in performing any act
5 for which the mortgage broker is required to be licensed pursuant to
6 the provisions of this chapter;

7 (3) Does not conduct his or her business in accordance with
8 law or has violated any provision of this chapter, a regulation
9 adopted pursuant to this chapter or an order of the Commissioner;

10 (4) Is in such financial condition that the mortgage broker
11 cannot continue in business with safety to his or her customers;

12 (5) Has made a material misrepresentation in connection
13 with any transaction governed by this chapter;

14 (6) Has suppressed or withheld from a client any material
15 facts, data or other information relating to any transaction governed
16 by the provisions of this chapter which the mortgage broker knew
17 or, by the exercise of reasonable diligence, should have known;

18 (7) Has knowingly made or caused to be made to the
19 Commissioner any false representation of material fact or has
20 suppressed or withheld from the Commissioner any information
21 which the mortgage broker possesses and which, if submitted by the
22 mortgage broker, would have rendered the mortgage broker
23 ineligible to be licensed pursuant to the provisions of this chapter;

24 (8) Has failed to account to persons interested for all money
25 received for a trust account;

26 (9) Has refused to permit an examination by the
27 Commissioner of his or her books and affairs or has refused or
28 failed, within a reasonable time, to furnish any information or make
29 any report that may be required by the Commissioner pursuant to
30 the provisions of this chapter or a regulation adopted pursuant to this
31 chapter;

32 (10) Has been convicted of, or entered or agreed to enter a
33 plea of guilty or nolo contendere to, a felony in a domestic, foreign
34 or military court within the 7 years immediately preceding the date
35 of the application, or at any time if such felony involved an act of
36 fraud, dishonesty or a breach of trust, moral turpitude or money
37 laundering;

38 (11) Has refused or failed to pay, within a reasonable time,
39 any fees, assessments, costs or expenses that the mortgage broker is
40 required to pay pursuant to this chapter or a regulation adopted
41 pursuant to this chapter;

42 (12) Has failed to satisfy a claim made by a client which has
43 been reduced to judgment;



(13) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(14) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(15) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(16) Has repeatedly violated the policies and procedures of the mortgage broker;

(17) Has failed to exercise reasonable supervision and control over the activities of a mortgage agent as required by NRS 645B.460;

(18) Has instructed a mortgage agent to commit an act that would be cause for the revocation of the license of the mortgage broker, whether or not the mortgage agent commits the act;

(19) Has employed a person as a mortgage agent or authorized a person to be associated with the mortgage broker as a mortgage agent at a time when the mortgage broker knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person:

(I) Had been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering; or

(II) Had a license or registration as a mortgage agent, mortgage banker, mortgage broker or residential mortgage loan originator revoked in this State or any other jurisdiction or had a financial services license or registration revoked within the immediately preceding 10 years;

(20) Has violated NRS 645C.557;

(21) Has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS; or

(22) Has, directly or indirectly, paid any commission, fees, points or any other compensation as remuneration for the services of a mortgage agent to a person other than a mortgage agent who:

(I) Is an employee of or associated with the mortgage broker; or

(II) If the mortgage agent is required to register with the Registry, is an employee of and whose sponsorship has been entered with the Registry by the mortgage broker as required by subsection 2 of NRS 645B.450.



(c) For each violation committed by a mortgage agent, the Commissioner may impose upon the mortgage agent an administrative fine of not more than \$25,000, may suspend, revoke or place conditions upon the mortgage agent's license, or may do both, if the mortgage agent, whether or not acting as such:

(1) Is grossly negligent or incompetent in performing any act for which the mortgage agent is required to be licensed pursuant to the provisions of this chapter;

(2) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(3) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage agent knew or, by the exercise of reasonable diligence, should have known;

(4) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage agent possesses and which, if submitted by the mortgage agent, would have rendered the mortgage agent ineligible to be licensed pursuant to the provisions of this chapter;

(5) Has been convicted of, or entered or agreed to enter a plea of guilty or nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering;

(6) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(7) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use;

(8) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(9) Has violated NRS 645C.557;

(10) Has repeatedly violated the policies and procedures of the mortgage broker with whom the mortgage agent is associated or by whom he or she is employed;

(11) Has, directly or indirectly, received any commission, fees, points or any other compensation as remuneration for his or her services as a mortgage agent:

(I) From a person other than the mortgage broker with whom the mortgage agent is associated or by whom he or she is employed; or



(II) If the mortgage agent is required to be registered with the Registry, from a person other than the mortgage broker by whom the mortgage agent is employed and on whose behalf sponsorship was entered as required by subsection 2 of NRS 645B.450; or

(12) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner or has assisted or offered to assist another person to commit such a violation.

2. This section does not prohibit the co-brokering of a commercial loan through the cooperation of two or more mortgage brokers so long as such a transaction is not inconsistent with any other provision of this chapter.

Sec. 27. NRS 645E.300 is hereby amended to read as follows:

645E.300 1. Subject to the administrative control of the Director of the Department of Business and Industry, the Commissioner shall exercise general supervision and control over mortgage bankers doing business in this State.

2. In addition to the other duties imposed upon him or her by law, the Commissioner shall:

(a) Adopt regulations establishing reasonable limitations and guidelines on loans made by a mortgage banker to a director, officer or employee of the mortgage banker.

(b) Adopt any other regulations that are necessary to carry out the provisions of this chapter, except as to loan fees.

(c) Conduct such investigations as may be necessary to determine whether any person has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner.

(d) Except as otherwise provided in subsection 4, conduct an annual examination of each mortgage banker doing business in this State.

(e) Conduct such other examinations, periodic or special audits, investigations and hearings as may be necessary for the efficient administration of the laws of this State regarding mortgage bankers.

(f) Classify as confidential certain records and information obtained by the Division when those matters are obtained from a governmental agency upon the express condition that they remain confidential. This paragraph does not limit examination by:

(1) The Legislative Auditor; or

(2) The Department of Taxation if necessary to carry out the provisions of chapter ~~363A~~ 363B of NRS.

(g) Conduct such examinations and investigations as are necessary to ensure that mortgage bankers meet the requirements of



1 this chapter for obtaining a license, both at the time of the
2 application for a license and thereafter on a continuing basis.

3 3. For each special audit, investigation or examination, a
4 mortgage banker shall pay a fee based on the rate established
5 pursuant to NRS 645F.280.

6 4. The Commissioner may conduct biennial examinations of a
7 mortgage banker instead of annual examinations, as described in
8 paragraph (d) of subsection 2, if the mortgage banker:

9 (a) Received a rating in the last annual examination that meets a
10 threshold determined by the Commissioner;

11 (b) Has not had any adverse change in financial condition since
12 the last annual examination, as shown by financial statements of the
13 mortgage banker; and

14 (c) Has not had any complaints received by the Division that
15 resulted in any administrative action by the Division.

16 **Sec. 28.** NRS 645E.670 is hereby amended to read as follows:

17 645E.670 1. For each violation committed by an applicant,
18 whether or not the applicant is issued a license, the Commissioner
19 may impose upon the applicant an administrative fine of not more
20 than \$25,000 if the applicant:

21 (a) Has knowingly made or caused to be made to the
22 Commissioner any false representation of material fact;

23 (b) Has suppressed or withheld from the Commissioner any
24 information which the applicant possesses and which, if submitted
25 by the applicant, would have rendered the applicant ineligible to be
26 licensed pursuant to the provisions of this chapter; or

27 (c) Has violated any provision of this chapter, a regulation
28 adopted pursuant to this chapter or an order of the Commissioner in
29 completing and filing his or her application for a license or during
30 the course of the investigation of his or her application for a license.

31 2. For each violation committed by a licensee, the
32 Commissioner may impose upon the licensee an administrative fine
33 of not more than \$25,000, may suspend, revoke or place conditions
34 upon the license, or may do both, if the licensee, whether or not
35 acting as such:

36 (a) Is insolvent;

37 (b) Is grossly negligent or incompetent in performing any act for
38 which the licensee is required to be licensed pursuant to the
39 provisions of this chapter;

40 (c) Does not conduct his or her business in accordance with law
41 or has violated any provision of this chapter, a regulation adopted
42 pursuant to this chapter or an order of the Commissioner;

43 (d) Is in such financial condition that the licensee cannot
44 continue in business with safety to his or her customers;



(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the licensee knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the licensee possesses and which, if submitted by the licensee, would have rendered the licensee ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his or her books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered or agreed to enter a plea of nolo contendere to, a felony in a domestic, foreign or military court within the 7 years immediately preceding the date of the application, or at any time if such felony involved an act of fraud, dishonesty or a breach of trust, moral turpitude or money laundering;

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the licensee is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(m) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(n) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(o) Has violated NRS 645C.557;

(p) Has commingled the money or other property of a client with his or her own or has converted the money or property of others to his or her own use; or

(q) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice.

3. An order that imposes discipline and the findings of fact and conclusions of law supporting that order are public records.



Sec. 29. NRS 658.151 is hereby amended to read as follows:

658.151 1. The Commissioner may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the depository institution:

(a) Has violated its charter or any laws applicable thereto.

(b) Is conducting its business in an unauthorized or unsafe manner.

(c) Is in an unsafe or unsound condition to transact its business.

(d) Has an impairment of its stockholders' or members' equity.

(e) Has refused to pay its depositors in accordance with the terms on which such deposits were received, or has refused to pay its holders of certificates of indebtedness or investment in accordance with the terms upon which those certificates of indebtedness or investment were sold.

(f) Has become or is in imminent danger of becoming otherwise insolvent.

(g) Has neglected or refused to comply with the terms of a lawful order of the Commissioner.

(h) Has refused, upon proper demand, to submit its records, affairs and concerns for inspection and examination of an appointed or authorized examiner of the Commissioner.

(i) Has made a voluntary assignment of its assets to trustees.

(j) Has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS.

2. The Commissioner also may forthwith take possession of the business and property of any depository institution to which this title or title 56 of NRS applies when it appears that the officers of the depository institution have refused to be examined upon oath regarding its affairs.

Sec. 30. NRS 665.133 is hereby amended to read as follows:

665.133 1. The records and information described in NRS 665.130 may be disclosed to:

(a) An agency of the Federal Government or of another state which regulates the financial institution which is the subject of the records or information;

(b) The Director of the Department of Business and Industry for the Director's confidential use;

(c) The State Board of Finance for its confidential use, if the report or other information is necessary for the State Board of Finance to perform its duties under this title;

(d) The Department of Taxation for its use in carrying out the provisions of chapter ~~363A~~ 363B of NRS;

(e) An entity which insures or guarantees deposits;



(f) A public officer authorized to investigate criminal charges in connection with the affairs of the depository institution;

(g) A person preparing a proposal for merging with or acquiring an institution or holding company, but only after notice of the disclosure has been given to the institution or holding company;

(h) Any person to whom the subject of the report has authorized the disclosure;

(i) Any other person if the Commissioner determines, after notice and opportunity for hearing, that disclosure is in the public interest and outweighs any potential harm to the depository institution and its stockholders, members, depositors and creditors; and

(j) Any court in a proceeding initiated by the Commissioner concerning the financial institution.

2. All the reports made available pursuant to this section remain the property of the Division of Financial Institutions, and no person, agency or authority to whom the reports are made available, or any officer, director or employee thereof, may disclose any of the reports or any information contained therein, except in published statistical material that does not disclose the affairs of any natural person or corporation.

Sec. 31. NRS 669.2825 is hereby amended to read as follows:

669.2825 1. The Commissioner may institute disciplinary action or forthwith initiate proceedings to take possession of the business and property of any retail trust company when it appears that the retail trust company:

(a) Has violated its charter or any state or federal laws applicable to the business of a trust company.

(b) Is conducting its business in an unauthorized or unsafe manner.

(c) Is in an unsafe or unsound condition to transact its business.

(d) Has an impairment of its stockholders' equity.

(e) Has refused to pay or transfer account assets to its account holders as required by the terms of the accounts' governing instruments.

(f) Has become insolvent.

(g) Has neglected or refused to comply with the terms of a lawful order of the Commissioner.

(h) Has refused, upon proper demand, to submit its records, affairs and concerns for inspection and examination of an appointed or authorized examiner of the Commissioner.

(i) Has made a voluntary assignment of its assets to receivers, conservators, trustees or creditors without complying with NRS 669.230.



(j) Has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS.

(k) Has materially and willfully breached its fiduciary duties to its customers.

(l) Has failed to properly disclose all fees, interest and other charges to its customers.

(m) Has willfully engaged in material conflicts of interest regarding a customer's account.

(n) Has made intentional material misrepresentations regarding any aspect of the services performed or proposed to be performed by the retail trust company.

2. The Commissioner also may forthwith initiate proceedings to take possession of the business and property of any trust company when it appears that the officers of the trust company have refused to be examined upon oath regarding its affairs.

Sec. 32. NRS 669.2847 is hereby amended to read as follows:

669.2847 1. If the Commissioner has reason to believe that grounds for revocation or suspension of a license exist, the Commissioner shall give at least 20 days' written notice to the licensee stating the contemplated action and, in general, the grounds therefor and set a date for a hearing.

2. At the conclusion of a hearing, the Commissioner shall:

(a) Enter a written order dismissing the charges, revoking the license or suspending the license for a period of not more than 60 days, which period must include any prior temporary suspension. The Commissioner shall send a copy of the order to the licensee by registered or certified mail.

(b) Impose upon the licensee an administrative fine of not more than \$10,000 for each violation by the licensee of any provision of this chapter or any regulation adopted pursuant thereto.

(c) If a fine is imposed pursuant to this section, enter such order as is necessary to recover the costs of the proceeding, including his or her investigative costs and attorney's fees.

3. The grounds for revocation or suspension of a license are that:

(a) The licensee has failed to pay the annual license fee;

(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter or any regulation adopted pursuant thereto or any lawful order of the Division of Financial Institutions;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license pursuant to the provisions of this chapter; or



(e) The licensee:

(1) Failed to open an office for the conduct of the business authorized by his or her license within 180 days after the date the license was issued; or

(2) Has failed to remain open for the conduct of the business for a period of 30 days without good cause therefor.

4. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 33. NRS 673.484 is hereby amended to read as follows:

673.484 The Commissioner may after notice and hearing suspend or revoke the charter of any association for:

1. Repeated failure to abide by the provisions of this chapter or the regulations adopted thereunder.

2. Failure to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS.

Sec. 34. NRS 675.440 is hereby amended to read as follows:

675.440 1. If the Commissioner has reason to believe that grounds for revocation or suspension of a license exist, he or she shall give 20 days' written notice to the licensee stating the contemplated action and, in general, the grounds therefor and set a date for a hearing.

2. At the conclusion of a hearing, the Commissioner shall:

(a) Enter a written order either dismissing the charges, revoking the license, or suspending the license for a period of not more than 60 days, which period must include any prior temporary suspension. A copy of the order must be sent by registered or certified mail to the licensee.

(b) Impose upon the licensee an administrative fine of not more than \$10,000 for each violation by the licensee of any provision of this chapter or any lawful regulation adopted under it.

(c) If a fine is imposed pursuant to this section, enter such order as is necessary to recover the costs of the proceeding, including his or her investigative costs and attorney's fees.

3. The grounds for revocation or suspension of a license are that:

(a) The licensee has failed to pay the annual license fee;

(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter or any lawful regulation adopted under it;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license hereunder; or



(e) The applicant failed to open an office for the conduct of the business authorized under this chapter within 120 days after the date the license was issued, or has failed to remain open for the conduct of the business for a period of 120 days without good cause therefor.

4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 35. NRS 677.510 is hereby amended to read as follows:

677.510 1. If the Commissioner has reason to believe that grounds for revocation or suspension of a license exist, he or she shall give 20 days' written notice to the licensee stating the contemplated action and, in general, the grounds therefor and set a date for a hearing.

2. At the conclusion of a hearing, the Commissioner shall:

(a) Enter a written order either dismissing the charges, or revoking the license, or suspending the license for a period of not more than 60 days, which period must include any prior temporary suspension. A copy of the order must be sent by registered or certified mail to the licensee.

(b) Impose upon the licensee an administrative fine of not more than \$10,000 for each violation by the licensee of any provision of this chapter or any lawful regulation adopted pursuant thereto.

(c) If a fine is imposed pursuant to this section, enter such order as is necessary to recover the costs of the proceeding, including his or her investigative costs and attorney's fees.

3. The grounds for revocation or suspension of a license are that:

(a) The licensee has failed to pay the annual license fee;

(b) The licensee, either knowingly or without any exercise of due care to prevent it, has violated any provision of this chapter, or any lawful regulation adopted pursuant thereto;

(c) The licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(d) Any fact or condition exists which would have justified the Commissioner in denying the licensee's original application for a license hereunder; or

(e) The applicant failed to open an office for the conduct of the business authorized under this chapter within 120 days after the date the license was issued, or has failed to remain open for the conduct of the business for a period of 120 days without good cause therefor.



4. Any revocation or suspension applies only to the license granted to a person for the particular office for which grounds for revocation or suspension exist.

5. An order suspending or revoking a license becomes effective 5 days after being entered unless the order specifies otherwise or a stay is granted.

Sec. 36. NRS 683A.451 is hereby amended to read as follows:

683A.451 The Commissioner may refuse to issue a license or certificate pursuant to this chapter or may place any person to whom a license or certificate is issued pursuant to this chapter on probation, suspend the person for not more than 12 months, or revoke or refuse to renew his or her license or certificate, or may impose an administrative fine or take any combination of the foregoing actions, for one or more of the following causes:

1. Providing incorrect, misleading, incomplete or partially untrue information in his or her application for a license.

2. Violating a law regulating insurance, or violating a regulation, order or subpoena of the Commissioner or an equivalent officer of another state.

3. Obtaining or attempting to obtain a license through misrepresentation or fraud.

4. Misappropriating, converting or improperly withholding money or property received in the course of the business of insurance.

5. Intentionally misrepresenting the terms of an actual or proposed contract of or application for insurance.

6. Conviction of a felony.

7. Admitting or being found to have committed an unfair trade practice or fraud.

8. Using fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere.

9. Denial, suspension or revocation of a license as a producer of insurance, or its equivalent, in any other state, territory or province.

10. Forging another's name to an application for insurance or any other document relating to the transaction of insurance.

11. Improperly using notes or other reference material to complete an examination for a license related to insurance.

12. Knowingly accepting business related to insurance from an unlicensed person.

13. Failing to comply with an administrative or judicial order imposing an obligation of child support.

14. Failing to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS.



Sec. 37. NRS 687A.130 is hereby amended to read as follows:
687A.130 The Association is exempt from payment of all fees and all taxes levied by this State or any of its subdivisions, except taxes:

1. Levied on real or personal property; or
2. Imposed pursuant to the provisions of chapter ~~363A~~ or 363B of NRS.

Sec. 38. NRS 688C.210 is hereby amended to read as follows:
688C.210 1. After notice, and after a hearing if requested, the Commissioner may suspend, revoke, refuse to issue or refuse to renew a license under this chapter if the Commissioner finds that:

(a) There was material misrepresentation in the application for the license;

(b) The licensee or an officer, partner, member or significant managerial employee has been convicted of fraudulent or dishonest practices, is subject to a final administrative action for disqualification, or is otherwise shown to be untrustworthy or incompetent;

(c) A provider of viatical settlements has engaged in a pattern of unreasonable payments to viators;

(d) The applicant or licensee has been found guilty or guilty but mentally ill of, or pleaded guilty, guilty but mentally ill or nolo contendere to, a felony or a misdemeanor involving fraud, forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral turpitude, whether or not a judgment of conviction has been entered by the court;

(e) A provider of viatical settlements has entered into a viatical settlement in a form not approved pursuant to NRS 688C.220;

(f) A provider of viatical settlements has failed to honor obligations of a viatical settlement or an agreement to purchase a viatical settlement;

(g) The licensee no longer meets a requirement for initial licensure;

(h) A provider of viatical settlements has assigned, transferred or pledged a viaticated policy to a person other than another provider licensed under this chapter, a purchaser of the viatical settlement or a special organization;

(i) The applicant or licensee has provided materially untrue information to an insurer that issued a policy that is the subject of a viatical settlement;

(j) The applicant or licensee has failed to pay a tax as required pursuant to the provisions of chapter ~~363A~~ 363B of NRS;

(k) The applicant or licensee has violated a provision of this chapter or other applicable provisions; or



(l) The applicant or licensee has acted in bad faith with regard to a viator.

2. A suspension imposed for grounds set forth in paragraph (k) or (l) of subsection 1 must not exceed a period of 12 months.

3. If the Commissioner takes action as described in subsection 1, the applicant or licensee may apply in writing for a hearing before the Commissioner to determine the reasonableness of the action taken by the Commissioner, pursuant to the provisions of NRS 679B.310 to 679B.370, inclusive.

Sec. 39. NRS 694C.450 is hereby amended to read as follows:

694C.450 1. Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at the rate of:

(a) Two-fifths of 1 percent on the first \$20,000,000 of its net direct premiums;

(b) One-fifth of 1 percent on the next \$20,000,000 of its net direct premiums; and

(c) Seventy-five thousandths of 1 percent on each additional dollar of its net direct premiums.

2. Except as otherwise provided in this section, a captive insurer shall pay to the Division, not later than March 1 of each year, a tax at a rate of:

(a) Two hundred twenty-five thousandths of 1 percent on the first \$20,000,000 of revenue from assumed reinsurance premiums;

(b) One hundred fifty thousandths of 1 percent on the next \$20,000,000 of revenue from assumed reinsurance premiums; and

(c) Twenty-five thousandths of 1 percent on each additional dollar of revenue from assumed reinsurance premiums.

➤ The tax on reinsurance premiums pursuant to this subsection must not be levied on premiums for risks or portions of risks which are subject to taxation on a direct basis pursuant to subsection 1. A captive insurer is not required to pay any reinsurance premium tax pursuant to this subsection on revenue related to the receipt of assets by the captive insurer in exchange for the assumption of loss reserves and other liabilities of another insurer that is under common ownership and control with the captive insurer, if the transaction is part of a plan to discontinue the operation of the other insurer and the intent of the parties to the transaction is to renew or maintain such business with the captive insurer.

3. If the sum of the taxes to be paid by a captive insurer calculated pursuant to subsections 1 and 2 is less than \$5,000 in any given year, the captive insurer shall pay a tax of \$5,000 for that year. The maximum aggregate tax for any year must not exceed \$175,000. The maximum aggregate tax to be paid by a sponsored



1 captive insurer applies only to each protected cell and does not
2 apply to the sponsored captive insurer as a whole.

3 4. Two or more captive insurers under common ownership and
4 control must be taxed as if they were a single captive insurer.

5 5. Notwithstanding any specific statute to the contrary and
6 except as otherwise provided in this subsection, the tax provided for
7 by this section constitutes all the taxes collectible pursuant to the
8 laws of this State from a captive insurer, and no occupation tax or
9 other taxes may be levied or collected from a captive insurer by this
10 State or by any county, city or municipality within this State, except
11 for taxes imposed pursuant to chapter ~~{363A-01}~~ 363B of NRS and
12 ad valorem taxes on real or personal property located in this State
13 used in the production of income by the captive insurer.

14 6. Twenty-five percent of the revenues collected from the tax
15 imposed pursuant to this section must be deposited with the State
16 Treasurer for credit to the Account for the Regulation and
17 Supervision of Captive Insurers created pursuant to NRS 694C.460.
18 The remaining 75 percent of the revenues collected must be
19 deposited with the State Treasurer for credit to the State General
20 Fund.

21 7. A captive insurer that is issued a license pursuant to this
22 chapter after July 1, 2003, is entitled to receive a nonrefundable
23 credit of \$5,000 applied against the aggregate taxes owed by the
24 captive insurer for the first year in which the captive insurer incurs
25 any liability for the payment of taxes pursuant to this section. A
26 captive insurer is entitled to a nonrefundable credit pursuant to this
27 section not more than once after the captive insurer is initially
28 licensed pursuant to this chapter.

29 8. As used in this section, unless the context otherwise
30 requires:

31 (a) “Common ownership and control” means:

32 (1) In the case of a stock insurer, the direct or indirect
33 ownership of 80 percent or more of the outstanding voting stock of
34 two or more corporations by the same member or members.

35 (2) In the case of a mutual insurer, the direct or indirect
36 ownership of 80 percent or more of the surplus and the voting power
37 of two or more corporations by the same member or members.

38 (b) “Net direct premiums” means the direct premiums collected
39 or contracted for on policies or contracts of insurance written by a
40 captive insurer during the preceding calendar year, less the amounts
41 paid to policyholders as return premiums, including dividends on
42 unabsorbed premiums or premium deposits returned or credited to
43 policyholders.

44 **Sec. 40.** If a person to whom transferable tax credits that have
45 been issued pursuant to the provisions of NRS 360B.759 or



360.945, as those provisions existed before July 1, 2015, has made a declaration to apply the transferable tax credits to the tax imposed by chapter 363A of NRS but the credits have not been applied to that tax on or before July 1, 2015, the Department of Taxation shall allow the transferable tax credits to be applied to the tax imposed by chapter 363B of NRS, as amended by sections 8 and 9 of this act.

Sec. 41. The amendatory provisions of sections 1 to 4, inclusive, 8, 9, 20 to 39, inclusive, and 42 of this of this act do not apply to any taxes due for any period ending on or before June 30, 2015.

Sec. 42. NRS 363A.010, 363A.015, 363A.020, 363A.030, 363A.040, 363A.050, 363A.060, 363A.070, 363A.080, 363A.090, 363A.120, 363A.130, 363A.135, 363A.140, 363A.150, 363A.160, 363A.170, 363A.180, 363A.190, 363A.200, 363A.210, 363A.220, 363A.230, 363A.240, 363A.250, 363A.260 and 363B.115 are hereby repealed.

Sec. 43. 1. This section and sections 1 to 16, inclusive, and 18 to 42, inclusive, of this act become effective on July 1, 2015.

2. Section 17 of this act becomes effective on November 1, 2015, and expires by limitation on October 31, 2021.

3. Section 5 of this act expires by limitation on June 30, 2023.

4. Sections 6 and 7 of this act expire by limitation on June 30, 2036.

LEADLINES OF REPEALED SECTIONS

363A.010 Definitions.

363A.015 “Business activity” defined.

363A.020 “Commission” defined.

363A.030 “Employer” defined.

363A.040 “Employment” defined.

363A.050 “Financial institution” defined.

363A.060 “Taxpayer” defined.

363A.070 Duties of Department.

363A.080 Maintenance and availability of records of taxpayer; penalty.

363A.090 Examination of records by Department; payment of expenses of Department for examination of records outside State.

363A.120 Excise tax on banks: Imposition, amount and payment; filing of return.



363A.130 Payroll tax: Imposition, amount and payment; filing of return.

363A.135 Payroll tax: Deduction of certain amounts paid for health insurance or health benefit plan for employees.

363A.140 Extension of time for payment; payment of interest during period of extension.

363A.150 Certification of excess amount collected; credit and refund.

363A.160 Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.

363A.170 Interest on overpayments; disallowance of interest.

363A.180 Injunction or other process to prevent collection of tax prohibited; filing of claim is condition precedent to maintaining action for refund.

363A.190 Action for refund: Period for commencement; venue; waiver.

363A.200 Rights of claimant upon failure of Department to mail notice of action on claim; allocation of judgment for claimant.

363A.210 Allowance of interest in judgment for amount illegally collected.

363A.220 Standing to recover.

363A.230 Action for recovery of erroneous refund: Jurisdiction; venue; prosecution.

363A.240 Cancellation of illegal determination.

363A.250 Prohibited acts; penalty.

363A.260 Remedies of State are cumulative.

363B.115 Deduction of certain amounts paid for health insurance or health benefit plan for employees.

