

Amendment No. 221

Senate Amendment to Senate Bill No. 252

(BDR 32-1185)

Proposed by: Senate Committee on Revenue and Economic Development**Amends:** Summary: No Title: Yes Preamble: Add Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 252 (§§ 17, 19).

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of *green bold underlining* is newly added language; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) ~~purple double strikethrough~~ is new language in the bill proposed to be deleted in this amendment; (6) *orange double underlining* is deleted language in the original bill that is proposed to be retained in this amendment.

SHORT FORM AMENDMENT

Sections 7, 8, 13, 13.5, 15, 19, 20, 22, 33, 50, 51, 76.5, 104.3, 104.7, 151.3, 151.5, 151.7, 158.2, 158.4, 158.6, 158.8, 159.1, 159.15, 159.2, 159.25, 159.3, 159.35, 159.4, 159.45, 159.5, 159.6, 159.65, 159.7, 159.75, 159.8, 159.85, 159.9, 159.93, 159.97, 161 and 162 of this act are the only sections affected by this amendment.

BJF/BJE



Date: 4/10/2015

S.B. No. 252—Revises provisions governing the state business license fee.
(BDR 32-1185)



The Title of Senate Bill No. 252 is hereby amended as follows:

1 AN ACT relating to business; revising provisions governing the imposition,
2 collection and enforcement of the state business license fee to establish a
3 ~~quarterly~~ business license fee based on the Nevada gross revenue of a
4 business; revising provisions relating to the issuance of state business
5 licenses and transferring certain responsibilities from the Secretary of
6 State to the Department of Taxation; providing penalties; and providing
7 other matters properly relating thereto.

If this amendment is adopted, the Legislative Counsel's Digest will be changed as follows:

Legislative Counsel's Digest:

8 Existing law imposes an annual fee of \$200 for a state business license that must be paid
9 to the Secretary of State. (NRS 76.100, 76.130) On July 1, 2015, this fee is scheduled to
10 change to \$100. (Chapter 429, Statutes of Nevada 2009, as last amended by chapter 518,
11 Statutes of Nevada 2013, at p. 3426)

12 **Section 163** of this bill repeals the provisions of existing law governing the annual state
13 business license fee, and **section 19** of this bill instead requires a person who conducts a
14 business in this State to pay a ~~quarterly~~ state business license fee that is based on the
15 industry in which the business is primarily engaged and the Nevada gross revenue of the
16 business. Under sections 19 and 22 of this bill, a business that does not pay any wages
17 may file a report and pay the state business license fee annually on a due date approved
18 by the Department of Taxation. **Section 3** of this bill sets forth the businesses that are
19 required to pay the ~~quarterly~~ state business license fee and the businesses that are exempt
20 from that requirement. In accordance with **section 6** of this bill, the Nevada gross revenue of a
21 business is determined by taking the amount of the gross revenue of the business calculated in
22 accordance with **section 5** of this bill, ~~leaving the gross revenue to Nevada pursuant to~~
23 ~~section 21 of this bill and~~ making certain subtractions under **section 20** of this bill ~~+~~ and
24 situating the gross revenue of the business, as adjusted under section 20, to Nevada
25 pursuant to section 21 of this bill. The amount of the ~~quarterly~~ state business license fee
26 owed by a business is set forth in the tables enacted in **sections 22-49** of this bill. **Section 164**
27 of this bill provides that the effective date of this bill is July 1, 2015.

28 **Sections 1-62** of this bill provide for the administration, collection and enforcement of
29 the ~~quarterly~~ state business license fee by the Department of Taxation. **Section 51** of this
30 bill: (1) authorizes the Department to revoke the state business license of a person who fails to
31 pay the ~~quarterly~~ state business license fee; and (2) requires the Secretary of State to revoke
32 the charter or authority to transact business in this State of a business entity whose state
33 business license is revoked by the Department. **Sections 51, 76, 77, 79, 81, 83, 85, 87, 89, 91,**
34 **93, 95, 97, 99, 101 and 103** of this bill prohibit the Department from issuing a new state
35 business license, and prohibit the Secretary of State from reinstating a business entity's charter
36 or authority to transact business in this State, unless the state business license fee is paid.
37 **Section 65** of this bill authorizes the Department to impose the penalties and interest
38 applicable to other fees and taxes collected by the Department if a person who conducted a
39 business fails to pay the state business license fee. However, under **section 161** of this bill, no
40 penalties or interest may be imposed for a failure to pay the ~~quarterly~~ state business license
41 fee which occurs before September 1, 2016 ~~+~~ , regardless of when the Department
42 determines that the person failed to pay the fee, if the failure occurred despite the
43 exercise of ordinary care and was not intentional or the result of willful neglect.

44 **Sections 75, 78, 80, 82, 84, 86, 88, 90, 92, 94, 96, 98, 100 and 102** of this bill change
45 references to the current state business license so that a business entity must file with its initial
46 and annual list a declaration under penalty of perjury that it has complied with the provisions
47 governing the ~~quarterly~~ state business license fee established by this bill.

Sections 104.3, 151.3, 158.4, 158.8, 159.1, 159.25, 159.3, 159.45, 159.5, 159.6, 159.75 and 159.9 of this bill authorize various licensing boards and other regulatory entities to take disciplinary action against certain business entities who fail to pay the state business license fee.

Sections 104.7, 151.5, 151.7, 158.2, 158.6, 159.15, 159.2, 159.35 and 159.4 of this bill authorize the Department of Taxation to obtain certain records and information from those regulatory entities to assist the Department in its administration of the state business license fee.

Sections 69-74 ~~and 104-159~~, 104, 105-151, 152-158 and 159 of this bill change references to the existing state business license issued by the Secretary of State to refer to the state business license issued by the Department of Taxation.

Sections 159.65, 159.7, 159.8, 159.85, 159.93 and 159.97 of this bill amend various provisions of the Nevada Insurance Code to specifically provide that entities regulated under that code are required to comply with the requirements of this bill regarding the state business license and the state business license fee.

The Preamble of Senate Bill No. 252 is hereby amended as follows:

WHEREAS, According to “Quality Counts 2015,” a state-by-state report published by Education Week, Nevada’s system of K-12 public education underperforms by almost every measure of adequacy and educational attainment; and

WHEREAS, By way of example, Nevada ranks last in the nation in the percentage of 3- and 4-year-old children who are enrolled in preschool; and

WHEREAS, Nevada ranks 45th in the nation in the percentage of students in grade 4 who demonstrate proficiency in reading, and 41st in the percentage of students in grade 8 who are proficient in mathematics; and

WHEREAS, Only 70 percent of high school students in Nevada graduate with a diploma, making Nevada’s high school graduation rate the worst in the nation; and

WHEREAS, Based upon this data and information about family income, parental education and adult educational attainment, the Education Week report ranks Nevada last in the Chance-for-Success Index, which evaluates the role of education over the lifetime of each person; and

WHEREAS, Many students of color, students in poverty, students who are English language learners and students with a disability lag far behind in overall student achievement, requiring new forms of support to succeed; and

WHEREAS, The citizens of Nevada, and particularly the children of this State, deserve better; and

WHEREAS, The complexities of improving our failing school system require new approaches and a source of revenue that will grow with our economy over time; and

WHEREAS, Nevada has invested hundreds of millions of dollars in attracting new businesses in an effort to diversify and expand the State’s economy; and

WHEREAS, The success of that effort and the future prosperity of Nevada are vitally dependent on investing in and improving our system of public education; now, therefore,

Section 7 of Senate Bill No. 252 is hereby amended as follows:

1 Sec. 7. “North American ~~Industrial~~ Industry Classification System” or
2 “NAICS” means the 2012 North American ~~Industrial~~ Industry Classification
3 System published by the Bureau of the Census of the United States Department of
4 Commerce.

Section 8 of Senate Bill No. 252 is hereby amended as follows:

5 Sec. 8. 1. “Pass-through revenue” means:

6 (a) Revenue received by a business that is required by law or fiduciary duty
7 to be distributed to another person or governmental entity;

8 (b) Taxes collected from a third party by a business and remitted by the
9 business to a taxing authority;

10 (c) Reimbursement for advances made by a business on behalf of a customer
11 or client, other than with respect to services rendered or with respect to purchases
12 of goods by the business in carrying out the business in which it engages;

13 (d) Revenue received by a business that is mandated by contract or
14 subcontract to be distributed to another only if the revenue constitutes:

15 (1) Sales commissions that are paid to a person who is not an employee
16 of the business, including, without limitation, a split-fee real estate commission;

17 (2) The tax basis of securities underwritten by the business, as
18 determined for the purposes of federal income taxation; ~~and~~ or

19 (3) Subcontracting payments under a contract or subcontract entered
20 into by a business to provide services, labor or materials in connection with the
21 actual or proposed design, construction, remodeling, remediation or repair of
22 improvements on real property or the location of the boundaries of real property;

23 (e) Revenue received by a business that provides legal services only if the
24 revenue received by the business is:

25 (1) Mandated by law, fiduciary duty or contract to be distributed to a
26 claimant by the claimant’s attorney or to another on behalf of a claimant by the
27 claimant’s attorney, including, without limitation, revenue received:

28 (I) For damages due to a client represented by the business;

29 (II) That are subject to a lien or other contractual obligation arising
30 out of the representation provided by the business, other than fees owed to the
31 business for the provision of legal services;

32 (III) That are subject to a subrogation interest or other third-party
33 contractual claim; and

34 (IV) That are required to be paid to another attorney who provided
35 legal services in a matter and who is not a member, partner, shareholder or
36 employee of the business; and

37 (2) Reimbursement of the expenses incurred by the business in providing
38 legal services to a claimant that are specific to the claimant’s matter and that are
39 not general operating expenses of the business; or

40 (f) Revenue received by a business that is part of an affiliated group from
41 another member of the affiliated group.

42 2. As used in this section:

43 (a) “Affiliated group” means a group of two or more businesses, each of
44 which is controlled by one or more common owners or by one or more members
45 of the group.

(b) "Controlled by" means the direct or indirect ownership, control or possession of ~~the power to vote~~ 50 percent or more of the outstanding voting securities of a business.

(c) "Sales commission" means:

(1) Any form of compensation paid to a person for engaging in an act for which a license is required pursuant to chapter 645 of NRS; or

(2) Compensation paid to a sales representative by a principal in an amount that is based on the amount or level of certain orders for or sales on behalf of the principal and that the principal is required to report on Internal Revenue Service Form 1099-MISC, Miscellaneous Income.

Section 13 of Senate Bill No. 252 is hereby amended as follows:

Sec. 13. 1. For the purposes of this chapter, a person shall be deemed to be conducting a business in this State if a business for which the person is responsible:

(a) Is organized pursuant to title 7 of NRS, other than a business organized pursuant to:

(1) Chapter 82 or 84 of NRS; or

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

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

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

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

(e) Has a sufficient nexus with this State to satisfy the requirements of the United States Constitution.

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

NEW section 13.5 of Senate Bill No. 252 is hereby added as follows:

Sec. 13.5. For the purposes of this chapter, if a person conducting a business in this State is conducting business in more than one business category set forth in sections 22 to 49, inclusive, of this act, the person shall be deemed to be primarily engaged in the business category in which the highest percentage of its Nevada gross revenue is generated.

Section 15 of Senate Bill No. 252 is hereby amended as follows:

Sec. 15. 1. Each person responsible for maintaining the records of a business shall:

(a) Keep such records as may be necessary to determine the amount of the state business license fee owed by the business pursuant to the provisions of this chapter;

1 (b) Preserve those records for 4 years or until any litigation or prosecution
2 pursuant to this chapter is finally determined, whichever is longer; and

3 (c) Make the records available for inspection by the Department upon
4 demand at reasonable times during regular business hours.

5 2. The Department may by regulation specify the types of records which
6 must be kept to determine the amount of the state business license fee owed by the
7 business. The regulations adopted by the Department pursuant to this subsection
8 must specify:

9 (a) The type of information that a person conducting a business in this State
10 must keep in the normal course of the person's financial recordkeeping for the
11 purpose of determining the amount of the state business license fee owed by the
12 business; and

13 (b) The records that must be kept by a business that, pursuant to section 50
14 of this act, elects an accounting method for reporting its Nevada gross revenue
15 and determining the amount of the state business license fee owed by the business
16 that is different from the accounting method used by the business in the normal
17 course of its financial recordkeeping.

Section 19 of Senate Bill No. 252 is hereby amended as follows:

18 Sec. 19. 1. In addition to obtaining a state business license pursuant to
19 section 18 of this act, a person conducting a business in this State during a
20 calendar quarter of a fiscal year shall pay a state business license fee in an
21 amount determined pursuant to sections 22 to 49, inclusive, of this act. The fee is
22 due and payable as provided in this section.

23 2. ~~Each~~ Except as otherwise provided in this subsection, each person
24 conducting a business in this State during a calendar quarter of a fiscal year
25 shall, on or before the 45th day immediately following the end of each calendar
26 quarter of the fiscal year, file with the Department a report on a form prescribed
27 by the Department. The Department may authorize a person conducting a
28 business in this State that does not pay any wages during any calendar quarter,
29 as described in subsection 1 of section 22 of this act, to file the report annually on
30 a due date approved by the Department.

31 3. The report required by ~~this~~ subsection 2 must be:

32 (a) Signed pursuant to NRS 239.330 by the person required to file the return
33 or by the person's authorized agent;

34 (b) State the gross revenue and the Nevada gross revenue of the business for
35 the calendar quarter;

36 (c) Be accompanied by the state business license fee determined pursuant to
37 sections 22 to 49, inclusive, of this act for the business category in which the
38 business conducted by the person was primarily engaged during the calendar
39 quarter; and

40 (d) Include such other information as is required by the Department.

41 ~~3.~~ 4. For the purposes of determining the amount of the state business
42 license fee due pursuant to sections 22 to 49, inclusive, of this act, the initial
43 report filed with the Department pursuant to subsection 2 must designate the
44 business category in which the business conducted by the person is primarily
45 engaged. A person conducting a business may not change the business category
46 designated in the initial report filed for that business unless the person applies to
47 the Department to change such designation and the Department determines that

1 *the business is no longer primarily engaged in the business category designated*
2 *in the initial report.*

3 ~~5.5~~ 5. *Upon written application made before the date on which payment*
4 *must be made, the Department may for good cause extend by not more than 30*
5 *days the time within which a business is required to pay the state business license*
6 *fee. If the fee is paid during the period of extension, no penalty or late charge*
7 *may be imposed for failure to pay at the time required, but the business shall pay*
8 *interest at the rate of 0.75 percent per month from the date on which the amount*
9 *would have been due without the extension until the date of payment, unless*
10 *otherwise provided in NRS 360.232 or 360.320.*

11 ~~5.6~~ 6. *If a business incorrectly reports its Nevada gross revenue for a*
12 *calendar quarter, the business must file an amended return and, for the purposes*
13 *of determining the amount of the state business license fee required to be paid,*
14 *include the Nevada gross revenue in the calendar quarter in which the Nevada*
15 *gross revenue should have been reported.*

16 ~~5.7~~ 7. *The state business license fee required to be paid pursuant to this*
17 *section is in addition to any fee for a license to conduct business that must be*
18 *paid to the local jurisdiction in which the business is being conducted.*

Section 20 of Senate Bill No. 252 is hereby amended as follows:

19 **Sec. 20. 1.** *In calculating the Nevada gross revenue of a person from*
20 *conducting a business in this State for the purposes of the state business license*
21 *fee, the following amounts must be subtracted from the gross revenue of the*
22 *business:*

23 *(a) Any gross revenue which this State is prohibited from taxing pursuant to*
24 *the Constitution or laws of the United States or the Nevada Constitution.*

25 *(b) Any gross revenue of the business attributable to interest upon any bonds*
26 *or securities of the Federal Government, the State of Nevada or a political*
27 *subdivision of this State.*

28 *(c) If the person is conducting the business in this State and is required to*
29 *pay a license fee pursuant to NRS 463.370, the amount of the gross revenue used*
30 *to determine the amount of that fee.*

31 *(d) If the person is conducting the business in this State and is required to*
32 *pay the tax on the net proceeds of minerals pursuant to the provisions of NRS*
33 *362.100 to 362.240, inclusive, the amount of the gross proceeds used to determine*
34 *the amount of that tax.*

35 *(e) If the person is conducting the business in this State and is required to*
36 *pay the tax imposed pursuant to chapter 680B of NRS ~~444.037~~:*

37 *(1) The amount of the total income derived from direct premiums written*
38 *and all other considerations for insurance, bail or annuity contracts used*
39 *to determine the amount of the tax imposed pursuant to chapter 680B of NRS ~~444~~:*
40 *and*

41 *(2) Any amounts excluded from the calculation of the amount of that tax*
42 *due pursuant to NRS 680B.037.*

43 *(f) If the person is conducting the business in this State and is required to*
44 *pay the tax imposed pursuant to NRS 694C.450, the amount of the net direct*
45 *premiums, as defined in that section, used to determine the amount of that tax.*

46 *(g) If the person is conducting the business in this State and is required to*
47 *pay the tax imposed pursuant to NRS 685A.180, the amount of the premiums, as*
48 *defined in that section, used to determine the amount of that tax.*

(h) Except as provided by paragraph ~~(s)~~ (i), the total amount of payments received by a health care provider:

(1) From Medicaid, Medicare, the Children's Health Insurance Program, the Fund for Hospital Care to Indigent Persons created pursuant to NRS 428.175 or TRICARE;

(2) For professional services provided in relation to a workers' compensation claim; and

(3) For the actual cost to the health care provider for any uncompensated care provided by the health care provider, except that if the health care provider later receives payment for all or part of that care, the health care provider must include the amount of the payment in his or her gross revenue for the calendar quarter in which the payment is received.

~~(s)~~ (i) If the person is conducting the business in this State as a health care provider that is a health care institution, an amount equal to 50 percent of the amounts described in paragraph ~~(h)~~ (h) that are received by the health care institution.

~~(h)~~ (i) If the person is conducting the business in this State as an employee leasing company, the amount of any payments received from a client company for wages, payroll taxes on those wages, employee benefits and workers' compensation benefits for employees leased to the client company.

~~(h)~~ (k) The amount of any pass-through revenue of the business.

~~(h)~~ (l) The tax basis of securities and loans sold by the business, as determined for the purposes of federal income taxation.

~~(h)~~ (m) The amount of revenue received by the business that is directly derived from the operation of a facility that is:

(1) Located on property owned or leased by the Federal Government; and

(2) Managed or operated primarily to house members of the Armed Forces of the United States.

~~(h)~~ (n) Interest income other than interest on credit sales.

~~(h)~~ (o) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity.

~~(h)~~ (p) Receipts from the sale, exchange or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, 26 U.S.C. § 1221 or 1231, without regard to the length of time the business held the asset.

~~(h)~~ (q) Receipts from a hedging transaction, as defined in section 1221 of the Internal Revenue Code, 26 U.S.C. § 1221, or a transaction accorded hedge accounting treatment under Statement No. 133 of the Financial Accounting Standards Board, Accounting for Derivative Instruments and Hedging Activities, to the extent the transaction is entered into primarily to protect a financial position, including, without limitation, managing the risk of exposure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or investments in foreign operations, to interest rate fluctuations or to commodity price fluctuations. For the purposes of this paragraph, receipts from the actual transfer of title of real or tangible personal property to another business are not receipts from a hedging transaction or a transaction accorded hedge accounting treatment.

~~(h)~~ (r) Proceeds received by a business that are attributable to the repayment, maturity or redemption of the principal of a loan, bond, mutual fund, certificate of deposit or marketable instrument.

~~(h)~~ (s) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan.

~~(t)~~ (t) Proceeds received from the issuance of the business's own stock, options, warrants, puts or calls, from the sale of the business's treasury stock or as contributions to the capital of the business.

~~(u)~~ (u) Proceeds received on account of payments from insurance policies, except those proceeds received for the loss of business revenue.

~~(v)~~ (v) Damages received as a result of litigation in excess of amounts that, if received without litigation, would have been gross revenue pursuant to this section.

~~(w)~~ (w) Bad debts expensed for the purposes of federal income taxation.

~~(x)~~ (x) Returns and refunds to customers.

~~(y)~~ (y) The value of cash discounts allowed by the business and taken by a customer.

~~(z)~~ (z) The value of goods or services provided to a customer on a complimentary basis.

~~(aa)~~ (aa) Amounts realized from the sale of an account receivable to the extent the receipts from the underlying transaction were included in the gross revenue of the business.

~~(bb)~~ (bb) If the person is conducting the business in this State and owns an interest in a passive entity, the person's share of the net income of the passive entity, but only to the extent the net income of the passive entity was generated by the gross revenue of another person.

2. As used in this section:

(a) "Children's Health Insurance Program" means the program established pursuant to 42 U.S.C. §§ 1397aa to 1397jj, inclusive, to provide health insurance for uninsured children from low-income families in this State.

(b) "Client company" has the meaning ascribed to it in NRS 616B.670.

(c) "Employee leasing company" has the meaning ascribed to it in NRS 616B.670.

(d) "Health care institution" means:

(1) A medical facility as defined in NRS 449.0151; and

(2) A pharmacy as defined in NRS 639.012.

(e) "Health care provider" means a business that receives any payments listed in paragraph ~~(f)~~ (h) of subsection 1 as a provider of health care services, including, without limitation, mental health care services.

(f) "Medicaid" means the program established pursuant to Title XIX of the Social Security Act, 42 U.S.C. §§ 1396 et seq., to provide assistance for part or all of the cost of medical care rendered on behalf of indigent persons.

(g) "Medicare" means the program of health insurance for aged persons and persons with disabilities established pursuant to Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395 et seq.

Section 22 of Senate Bill No. 252 is hereby amended as follows:

Sec. 22. 1. ~~The~~ Except as otherwise provided in subsection 2, the state business license fee required to be paid by a person conducting a business in this State that did not pay any wages ~~in this State~~ during the quarter is \$100. If, during a calendar quarter, a person conducts a business that is a client company, as defined in NRS 616B.670, the person is deemed to have paid wages during that calendar quarter. For the purposes of this subsection, the term "wages" has the meaning ascribed to it in NRS 612.190.

2. The Department may authorize a person that does not pay any wages, as determined pursuant to subsection 1, to pay an annual state business license fee of \$400 on or before a due date approved by the Department.

3. Except as otherwise provided in ~~subsection 1,~~ this section, the state business license fee required to be paid by a person conducting a business in this State is equal to the amount set forth in sections 23 to 48, inclusive, of this act for the business category and Nevada gross revenue of the business. If the business cannot be categorized in a business category set forth in sections 23 to 48, inclusive, of this act, the state business license fee for that business is equal to the amount set forth in section 49 of this act for the Nevada gross revenue of the business.

Section 33 of Senate Bill No. 252 is hereby amended as follows:

Sec. 33. 1. The other transportation business category (NAICS 483, 485, 486, 487, 488, 491 and 492) includes all businesses primarily engaged in:

(a) Water transportation, including, without limitation, the transportation of passengers and cargo using watercraft;

(b) Transit and ground passenger transportation, including, without limitation, charter buses, school buses, interurban bus transportation, ~~taxis~~ taxis and limousine services, street railroads, commuter rail and rapid transit;

(c) Pipeline transportation, including, without limitation, using transmission pipelines to transport products, such as crude oil, natural gas, refined petroleum products and slurry;

(d) Scenic and sightseeing transportation, including, without limitation, on land or the water, or in the air;

(e) Support activities for transportation, including, without limitation, air traffic control services, marine cargo handling, motor vehicle towing, railroad switching and terminals, and ship repair and maintenance not done in a shipyard, such as floating drydock services in a harbor;

(f) Postal services, including, without limitation, the activities of the United States Postal Service and its subcontractors operating under a universal service obligation to provide mail services, deliver letters and small parcels, and rural post offices on contract to the United States Postal Service; and

(g) Couriers and messengers, including, without limitation, the provision of intercity, local or international delivery of parcels and documents without operating under a universal service obligation.

2. To determine the amount of the ~~quarterly~~ state business license fee, a business included in this category must identify the fee on the following table that corresponds to the Nevada gross revenue of the business for the quarter for which the fee will be paid:

Nevada Gross Revenue:			Nevada Gross Revenue:			Nevada Gross Revenue:		
Up to and		Fee:	Up to and		Fee:	Up to and		Fee:
Greater Than:	Including:		Greater Than:	Including:		Greater Than:	Including:	
1	\$0-31,250	\$10024	\$676,438-777,904	\$1,02647	\$16,837,571-19,363,206	\$25,533		
2	\$31,250-35,938	\$10025	\$777,904-894,590	\$1,18048	\$19,363,206-22,267,688	\$29,363		
3	\$35,938-41,329	\$10026	\$894,590-1,028,779	\$1,35749	\$22,267,688-25,607,841	\$33,767		
4	\$41,329-47,528	\$10027	\$1,028,779-1,183,096	\$1,56050	\$25,607,841-29,449,017	\$38,832		
5	\$47,528-54,658	\$10028	\$1,183,096-1,360,560	\$1,79451	\$29,449,017-33,866,370	\$44,657		
6	\$54,658-62,857	\$10029	\$1,360,560-1,564,645	\$2,06352	\$33,866,370-38,946,326	\$51,356		
7	\$62,857-72,286	\$10030	\$1,564,645-1,799,341	\$2,37353	\$38,946,326-44,788,275	\$59,059		
8	\$72,286-83,129	\$11031	\$1,799,341-2,069,243	\$2,72954	\$44,788,275-51,506,517	\$67,918		
9	\$83,129-95,599	\$12632	\$2,069,243-2,379,630	\$3,13855	\$51,506,517-59,232,495	\$78,106		
10	\$95,599-109,939	\$14533	\$2,379,630-2,736,574	\$3,60956	\$59,232,495-68,117,369	\$89,822		
11	\$109,939-126,430	\$16734	\$2,736,574-3,147,061	\$4,15057	\$68,117,369-78,334,975	\$103,295		
12	\$126,430-145,394	\$19235	\$3,147,061-3,619,120	\$4,77258	\$78,334,975-90,085,221	\$118,789		
13	\$145,394-167,204	\$22036	\$3,619,120-4,161,989	\$5,48859	\$90,085,221-103,598,005	\$136,607		
14	\$167,204-192,285	\$25437	\$4,161,989-4,786,287	\$6,31160	\$103,598,005-119,137,706	\$157,099		
15	\$192,285-221,128	\$29238	\$4,786,287-5,504,230	\$7,25861	\$119,137,706-137,008,362	\$180,663		
16	\$221,128-254,297	\$33539	\$5,504,230-6,329,865	\$8,34762	\$137,008,362-157,559,616	\$207,763		
17	\$254,297-292,442	\$38640	\$6,329,865-7,279,345	\$9,59963	\$157,559,616-181,193,559	\$238,927		
18	\$292,442-336,308	\$44341	\$7,279,345-8,371,247	\$11,03964	\$181,193,559-208,372,593	\$274,766		
19	\$336,308-386,755	\$51042	\$8,371,247-9,626,935	\$12,69465	\$208,372,593-239,628,482	\$315,981		
20	\$386,755-444,768	\$58643	\$9,626,935-11,070,975	\$14,59966	\$239,628,482-275,572,755	\$363,378		
21	\$444,768-511,484	\$67444	\$11,070,975-12,731,622	\$16,78867	\$275,572,755- And Above	\$417,885		
22	\$511,484-588,207	\$77645	\$12,731,622-14,641,365	\$19,307				
23	\$588,207-676,438	\$89246	\$14,641,365-16,837,571	\$22,203				

Section 50 of Senate Bill No. 252 is hereby amended as follows:

Sec. 50. ~~1. A business's method of accounting for gross revenue for a calendar quarter for the purposes of determining the amount of the state business license fee must be the same as the business's method of accounting for federal income tax purposes for the business's federal taxable year that includes that calendar quarter. If a business's method of accounting for federal income tax purposes changes, its method of accounting for gross revenue pursuant to this chapter must be changed accordingly.~~ A person conducting a business in this State:

1. May use either the cash or accrual method of accounting for the purposes of reporting and determining the amount of the state business license fee owed by the person conducting the business.

2. May not change that method of accounting more often than once every 3 years unless the Department consents to the change. For the purposes of this subsection, a change in accounting method may not occur solely because the change results in a lower state business license fee owed by the person conducting the business.

Section 51 of Senate Bill No. 252 is hereby amended as follows:

1 **Sec. 51. 1. If a person who holds a state business license fails to pay the**
2 **state business license fee and any penalties and interest, the Department, after a**
3 **hearing of which the person was given prior notice in writing of at least 10 days**
4 **specifying the time and place of the hearing and requiring the person to show**
5 **cause why his or her state business license should not be revoked, may revoke or**
6 **suspend the state business license of the person.**

7 **2. If a person who holds a state business license is an entity organized or**
8 **filed with the Secretary of State pursuant to title 7 of NRS, the written notice**
9 **provided pursuant to subsection 1 must include a statement that the revocation or**
10 **suspension of the person's state business license will result in the revocation of**
11 **the entity's charter or authority to transact business in this State by the Secretary**
12 **of State.**

13 **3. A notice provided pursuant to subsection 1 may be served personally or**
14 **by mail in the manner prescribed for the service of a notice of deficiency**
15 **determination.**

16 **4. If the license is ~~suspended~~ revoked or ~~revoked~~ suspended, the**
17 **Department shall provide written notice of the action to:**

18 (a) The person who holds the state business license; and

19 (b) If the person who holds the state business license is an entity organized
20 pursuant to title 7 of NRS or an entity required to file with the Secretary of State,
21 the Secretary of State.

22 ~~4. 5.~~ **If the Secretary of State receives a written notice pursuant to**
23 **subsection ~~4~~ 4, the Secretary of State must revoke the entity's charter or**
24 **authority to transact business in this State.**

25 ~~4. 6.~~ **The Department shall not issue a new license to the former holder of**
26 **a revoked state business license, and the Secretary of State shall not reinstate or**
27 **revive a charter or the right to transact business in this State, unless the former**
28 **holder has paid the state business license fee and any penalties and interest.**

NEW section 76.5 of Senate Bill No. 252 is hereby added as follows:

29 **Sec. 76.5. NRS 78.245 is hereby amended to read as follows:**

30 78.245 ~~Not~~

31 **1. Except as otherwise provided in subsection 2, no** stocks, bonds or other
32 securities issued by any corporation organized under this chapter, nor the income or
33 profits therefrom, nor the transfer thereof by assignment, descent, testamentary
34 disposition or otherwise, shall be taxed by this State when such stocks, bonds or
35 other securities shall be owned by nonresidents of this State or by foreign
36 corporations.

37 **2. The provisions of subsection 1 do not apply to the state business license**
38 **fee imposed pursuant to sections 2 to 62, inclusive, of this act.**

NEW section 104.3 of Senate Bill No. 252 is hereby added as follows:

Sec. 104.3. NRS 90.420 is hereby amended to read as follows:

1 **Sec. 104.3. NRS 90.420 is hereby amended to read as follows:**
2 90.420 1. The Administrator by order may deny, suspend or revoke any
3 license, fine any licensed person, limit the activities governed by this chapter that
4 an applicant or licensed person may perform in this State, bar an applicant or
5 licensed person from association with a licensed broker-dealer or investment
6 adviser or bar from employment with a licensed broker-dealer or investment
7 adviser a person who is a partner, officer, director, sales representative, investment
8 adviser or representative of an investment adviser, or a person occupying a similar
9 status or performing a similar function for an applicant or licensed person, if the
10 Administrator finds that the order is in the public interest and that the applicant or
11 licensed person or, in the case of a broker-dealer or investment adviser, any partner,
12 officer, director, sales representative, investment adviser, representative of an
13 investment adviser, or person occupying a similar status or performing similar
14 functions or any person directly or indirectly controlling the broker-dealer or
15 investment adviser, or any transfer agent or any person directly or indirectly
16 controlling the transfer agent:

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

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

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

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

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

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

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

42 (4) Involves moral turpitude;

43 (e) Is or has been permanently or temporarily enjoined by any court of
44 competent jurisdiction, unless the order has been vacated, from acting as an
45 investment adviser, representative of an investment adviser, underwriter, broker-
46 dealer or as an affiliated person or employee of an investment company, depository
47 institution or insurance company or from engaging in or continuing any conduct or
48 practice in connection with any of the foregoing activities or in connection with the
49 purchase or sale of a security;

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

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

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

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

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

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

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

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

(h) Has engaged in unethical or dishonest practices in the 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 of NRS, or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act;

(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.

NEW section 104.7 of Senate Bill No. 252 is hereby added as follows:

Sec. 104.7. 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 of NRS ~~or~~ **or sections 2 to 62, inclusive, of this act.**

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.

NEW section 151.3 of Senate Bill No. 252 is hereby added as follows:

Sec. 151.3. 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 of NRS, or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act;
 - (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.

NEW section 151.5 of Senate Bill No. 252 is hereby added as follows:

- Sec. 151.5. 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 contain a statement signed by the chief executive officer certifying that the request is made to further a criminal investigation currently being conducted by the agency. Upon receipt of such a request, the Administrator shall furnish the information requested. The Administrator may charge a fee to cover the actual costs of any related administrative expenses.

8. In addition to the provisions of subsection 5, the Administrator shall provide lists containing the names and addresses of employers, and information regarding the wages paid by each employer to the Department of Taxation, upon request, for use in verifying returns for the taxes imposed pursuant to chapters 363A and 363B of NRS. or reports for the fee imposed pursuant to sections 2 to 62, inclusive, of this act. The Administrator may charge a fee to cover the actual costs of any related administrative expenses.

9. A private carrier that provides industrial insurance in this State shall submit to the Administrator a list containing the name of each person who received benefits pursuant to chapters 616A to 616D, inclusive, or chapter 617 of NRS during the preceding month and request that the Administrator compare the information so provided with the records of the Division regarding persons claiming benefits pursuant to this chapter for the same period. The information

submitted by the private carrier must be in a form determined by the Administrator and must contain the social security number of each such person. Upon receipt of the request, the Administrator shall make such a comparison and, if it appears from the information submitted that a person is simultaneously claiming benefits under this chapter and under chapters 616A to 616D, inclusive, or chapter 617 of NRS, the Administrator shall notify the Attorney General or any other appropriate law enforcement agency. The Administrator shall charge a fee to cover the actual costs of any related administrative expenses.

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

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

NEW section 151.7 of Senate Bill No. 252 is hereby added as follows:

Sec. 151.7. 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.

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

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

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

26 6. Upon request by the Department of Taxation, the Administrator shall
27 provide:

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

29 (b) Other information concerning employers collected and maintained by the
30 Administrator or the Division to carry out the purposes of chapters 616A to 616D,
31 inclusive, or chapter 617 of NRS.

32 ↪ to the Department for its use in verifying returns for the taxes imposed pursuant
33 to chapters 363A and 363B of NRS. ↪ or reports for the fee imposed pursuant to
34 sections 2 to 62, inclusive, of this act. The Administrator may charge a reasonable
35 fee to cover any related administrative expenses.

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

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

46 9. The provisions of this section do not prohibit the Administrator or the
47 Division from disclosing any nonproprietary information relating to an uninsured
48 employer or proof of industrial insurance.

NEW section 158.2 of Senate Bill No. 252 is hereby added as follows:

Sec. 158.2. 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 of NRS, or sections 2 to 62, inclusive, of this act.

(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.

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

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

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

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

10 (d) Does not maintain any trust accounts pursuant to NRS 645B.170 or
11 645B.175 or arrange loans funded by private investors.

NEW section 158.4 of Senate Bill No. 252 is hereby added as follows:

12 **Sec. 158.4. NRS 645B.670 is hereby amended to read as follows:**

13 645B.670 1. Except as otherwise provided in NRS 645B.690:

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

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

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

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

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

32 (1) Is insolvent;

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

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

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

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

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

47 (7) Has knowingly made or caused to be made to the Commissioner any
48 false representation of material fact or has suppressed or withheld from the

Commissioner any information which the mortgage broker possesses and which, if submitted by the mortgage broker, would have rendered the mortgage broker ineligible to be licensed pursuant to the provisions of this chapter;

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

(9) 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;

(10) 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;

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

(12) Has failed to satisfy a claim made by a client which has 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 of NRS or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act; 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.

NEW section 158.6 of Senate Bill No. 252 is hereby added as follows:

Sec. 158.6. 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 of NRS ~~or~~ **or sections 2 to 62, inclusive, of this act.**

(g) Conduct such examinations and investigations as are necessary to ensure that mortgage bankers 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 banker shall pay a fee based on the rate established pursuant to NRS 645F.280.

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

(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 banker; and

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

NEW section 158.8 of Senate Bill No. 252 is hereby added as follows:

Sec. 158.8. NRS 645E.670 is hereby amended to read as follows:

645E.670 1. For each violation committed by an applicant, 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 (a) Has knowingly made or caused to be made to the Commissioner any false
2 representation of material fact;

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

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

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

15 (a) Is insolvent;

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

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

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

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

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

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

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

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

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

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

48 (l) Has failed to pay a tax as required pursuant to the provisions of chapter
49 363A of NRS ~~or~~ or a fee as required pursuant to the provisions of sections 2 to
50 62, inclusive, of this act;

51 (m) Has failed to satisfy a claim made by a client which has been reduced to
52 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.

NEW section 159.1 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.1. 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 of NRS ~~or~~ **or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act.**

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.

NEW section 159.15 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.15. 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 of NRS, or sections 2 to 62, inclusive, of this act;

(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.

NEW section 159.2 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.2. NRS 669.275 is hereby amended to read as follows:

669.275 1. The Commissioner may require a licensee to provide an audited financial statement prepared by an independent certified public accountant licensed to do business in this State.

2. On the fourth Monday in January of each year, each licensee shall submit to the Commissioner a list of stockholders required to be maintained pursuant to paragraph (c) of subsection 1 of NRS 78.105 or the list of members required to be maintained pursuant to paragraph (a) of subsection 1 of NRS 86.241, verified by the president or a manager, as appropriate.

3. The list of members required to be maintained pursuant to paragraph (a) of subsection 1 of NRS 86.241 must include the percentage of each member's interest in the company, in addition to the requirements set forth in that section.

4. Except as otherwise provided in NRS 239.0115, any document submitted pursuant to this section is confidential. This subsection does not limit the examination of any document by the Department of Taxation if necessary to carry out the provisions of sections 2 to 62, inclusive, of this act.

NEW section 159.25 of Senate Bill No. 252 is hereby added as follows:

1 **Sec. 159.25. NRS 669.2825 is hereby amended to read as follows:**
2 669.2825 1. The Commissioner may institute disciplinary action or
3 forthwith initiate proceedings to take possession of the business and property of any
4 retail trust company when it appears that the retail trust company:
5 (a) Has violated its charter or any state or federal laws applicable to the
6 business of a trust company.
7 (b) Is conducting its business in an unauthorized or unsafe manner.
8 (c) Is in an unsafe or unsound condition to transact its business.
9 (d) Has an impairment of its stockholders' equity.
10 (e) Has refused to pay or transfer account assets to its account holders as
11 required by the terms of the accounts' governing instruments.
12 (f) Has become insolvent.
13 (g) Has neglected or refused to comply with the terms of a lawful order of the
14 Commissioner.
15 (h) Has refused, upon proper demand, to submit its records, affairs and
16 concerns for inspection and examination of an appointed or authorized examiner of
17 the Commissioner.
18 (i) Has made a voluntary assignment of its assets to receivers, conservators,
19 trustees or creditors without complying with NRS 669.230.
20 (j) Has failed to pay a tax as required pursuant to the provisions of chapter
21 363A of NRS ~~or~~ **or a fee as required pursuant to the provisions of sections 2 to**
22 **62, inclusive, of this act.**
23 (k) Has materially and willfully breached its fiduciary duties to its customers.
24 (l) Has failed to properly disclose all fees, interest and other charges to its
25 customers.
26 (m) Has willfully engaged in material conflicts of interest regarding a
27 customer's account.
28 (n) Has made intentional material misrepresentations regarding any aspect of
29 the services performed or proposed to be performed by the retail trust company.
30 2. The Commissioner also may forthwith initiate proceedings to take
31 possession of the business and property of any trust company when it appears that
32 the officers of the trust company have refused to be examined upon oath regarding
33 its affairs.

NEW section 159.3 of Senate Bill No. 252 is hereby added as follows:

34 **Sec. 159.3. NRS 669.2847 is hereby amended to read as follows:**
35 669.2847 1. If the Commissioner has reason to believe that grounds for
36 revocation or suspension of a license exist, the Commissioner shall give at least 20
37 days' written notice to the licensee stating the contemplated action and, in general,
38 the grounds therefor and set a date for a hearing.
39 2. At the conclusion of a hearing, the Commissioner shall:
40 (a) Enter a written order dismissing the charges, revoking the license or
41 suspending the license for a period of not more than 60 days, which period must
42 include any prior temporary suspension. The Commissioner shall send a copy of the
43 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 of NRS ~~or~~ or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act;

(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.

NEW section 159.35 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.35. NRS 669.285 is hereby amended to read as follows:

669.285 Except as otherwise provided in NRS 239.0115, any application and personal or financial records submitted by a person pursuant to the provisions of this chapter and any personal or financial records or other documents obtained by the Division of Financial Institutions pursuant to an examination or audit conducted by the Division are confidential and may be disclosed only to:

1. The Division, any authorized employee of the Division and any state or federal agency investigating the activities covered under the provisions of this chapter; ~~and~~

2. The Department of Taxation for its use in carrying out the provisions of sections 2 to 62, inclusive, of this act; and

3. Any person when the Commissioner, in the Commissioner's discretion, determines that the interests of the public that would be protected by disclosure outweigh the interest of any person in the confidential information not being disclosed.

NEW section 159.4 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.4. NRS 669A.310 is hereby amended to read as follows:

669A.310 1. Except as otherwise provided in this section, any application and personal or financial records submitted by a person pursuant to the provisions of this chapter, any personal or financial records or other documents obtained by

the Division of Financial Institutions pursuant to an examination or audit conducted by the Division pursuant to this chapter and any other private information relating to a family trust company are confidential and may be disclosed only to:

(a) The Division, any authorized employee of the Division and a state or federal agency investigating activities regulated pursuant to this chapter; ~~and~~

(b) The Department of Taxation for its use in carrying out the provisions of section 2 to 62, inclusive, of this act; and

(c) Any other person if the Commissioner, in the Commissioner's discretion, determines that the interests of the public in disclosing the information outweigh the interests of the person about whom the information pertains in not disclosing the information.

2. The Commissioner shall give to the family trust company to which the information relates 10-days' prior written notice of intent to disclose confidential information directly or indirectly to a person pursuant to paragraph ~~(b)~~ (c) of subsection 1. Any family trust company which receives such a notice may object to the disclosure of the confidential information and will be afforded the right to a hearing in accordance with the provisions of chapter 233B of NRS. If a family trust company requests a hearing, the Commissioner may not reveal confidential information prior to the conclusion of the hearing and a ruling. Prior to dissemination of any confidential information, the Commissioner shall require a written agreement not to reveal the confidential information by the party receiving the confidential information. In no event shall the Commissioner disclose confidential information to the general public, any competitor or any potential competitor of a family trust company.

3. Nothing in this chapter is intended to preclude a law enforcement officer from gaining access to otherwise confidential records by subpoena, court order, search warrant or other lawful means. Notwithstanding any other provision of this chapter, the Commissioner shall have the ability to share information with other out of state or federal regulators with whom the Department of Business and Industry has an agreement regarding the sharing of information. Nothing in this chapter is intended to preclude any agency of this State from gaining access to otherwise confidential records in accordance with any applicable law.

NEW section 159.45 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.45. 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 of NRS ~~or~~ or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act.

NEW section 159.5 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.5. 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 of NRS H or a fee as required pursuant to the provisions of sections 2 to 62, inclusive, of this act;

(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.

NEW section 159.6 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.6. 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.

- 1 3. The grounds for revocation or suspension of a license are that:
- 2 (a) The licensee has failed to pay the annual license fee;
- 3 (b) The licensee, either knowingly or without any exercise of due care to
- 4 prevent it, has violated any provision of this chapter, or any lawful regulation
- 5 adopted pursuant thereto;
- 6 (c) The licensee has failed to pay a tax as required pursuant to the provisions of
- 7 chapter 363A of NRS, ~~or a fee as required pursuant to the provisions of~~
- 8 ~~sections 2 to 62, inclusive, of this act;~~
- 9 (d) Any fact or condition exists which would have justified the Commissioner
- 10 in denying the licensee's original application for a license hereunder; or
- 11 (e) The applicant failed to open an office for the conduct of the business
- 12 authorized under this chapter within 120 days after the date the license was issued,
- 13 or has failed to remain open for the conduct of the business for a period of 120 days
- 14 without good cause therefor.
- 15 4. Any revocation or suspension applies only to the license granted to a
- 16 person for the particular office for which grounds for revocation or suspension
- 17 exist.
- 18 5. An order suspending or revoking a license becomes effective 5 days after
- 19 being entered unless the order specifies otherwise or a stay is granted.

NEW section 159.65 of Senate Bill No. 252 is hereby added as follows:

- 20 **Sec. 159.65. NRS 680B.020 is hereby amended to read as follows:**
- 21 680B.020 1. Notwithstanding the provisions of any general or special law
- 22 ~~and except as otherwise provided in subsection 3,~~ the possession of a license or
- 23 certificate of authority issued under this Code shall be authorization to transact such
- 24 business as indicated in such license or certificate of authority, and shall be in lieu
- 25 of all licenses, whether for regulation or revenue, required to transact insurance
- 26 business within the State of Nevada; but each city, town or county may require a
- 27 license for revenue purposes only for any insurance agent, broker, analyst, adjuster
- 28 or managing general agent whose principal place of business is located within such
- 29 city or town, or within the county outside the cities and towns of the county,
- 30 respectively.
- 31 2. This section shall not be modified or repealed by any law of general
- 32 application enacted after January 1, 1972, unless expressly referred to or expressly
- 33 repealed therein.
- 34 **3. The provisions of this section do not apply to the fee imposed pursuant to**
- 35 **the provisions of sections 2 to 62, inclusive, of this act.**

NEW section 159.7 of Senate Bill No. 252 is hereby added as follows:

- 36 **Sec. 159.7. NRS 680B.037 is hereby amended to read as follows:**
- 37 680B.037 ~~(Payment)~~
- 38 **1. Except as otherwise provided in subsection 2, payment** by an insurer of
- 39 the tax imposed by NRS 680B.027 is in lieu of all taxes imposed by the State or any
- 40 city, town or county upon premiums or upon income of insurers and of franchise,
- 41 privilege or other taxes measured by income of the insurer.
- 42 **2. The provisions of subsection 1 do not apply to the fee imposed pursuant**
- 43 **to the provisions of sections 2 to 62, inclusive, of this act.**

NEW section 159.75 of Senate Bill No. 252 is hereby added as follows:

1 *Sec. 159.75. NRS 683A.451 is hereby amended to read as follows:*
2 683A.451 The Commissioner may refuse to issue a license or certificate
3 pursuant to this chapter or may place any person to whom a license or certificate is
4 issued pursuant to this chapter on probation, suspend the person for not more than
5 12 months, or revoke or refuse to renew his or her license or certificate, or may
6 impose an administrative fine or take any combination of the foregoing actions, for
7 one or more of the following causes:
8 1. Providing incorrect, misleading, incomplete or partially untrue information
9 in his or her application for a license.
10 2. Violating a law regulating insurance, or violating a regulation, order or
11 subpoena of the Commissioner or an equivalent officer of another state.
12 3. Obtaining or attempting to obtain a license through misrepresentation or
13 fraud.
14 4. Misappropriating, converting or improperly withholding money or property
15 received in the course of the business of insurance.
16 5. Intentionally misrepresenting the terms of an actual or proposed contract of
17 or application for insurance.
18 6. Conviction of a felony.
19 7. Admitting or being found to have committed an unfair trade practice or
20 fraud.
21 8. Using fraudulent, coercive or dishonest practices, or demonstrated
22 incompetence, untrustworthiness or financial irresponsibility in the conduct of
23 business in this State or elsewhere.
24 9. Denial, suspension or revocation of a license as a producer of insurance, or
25 its equivalent, in any other state, territory or province.
26 10. Forging another's name to an application for insurance or any other
27 document relating to the transaction of insurance.
28 11. Improperly using notes or other reference material to complete an
29 examination for a license related to insurance.
30 12. Knowingly accepting business related to insurance from an unlicensed
31 person.
32 13. Failing to comply with an administrative or judicial order imposing an
33 obligation of child support.
34 14. Failing to pay a tax as required pursuant to the provisions of chapter 363A
35 of NRS ~~or~~ or a fee as required pursuant to the provisions of sections 2 to 62,
36 inclusive, of this act.

NEW section 159.8 of Senate Bill No. 252 is hereby added as follows:

37 *Sec. 159.8. NRS 686C.360 is hereby amended to read as follows:*
38 686C.360 The Association is exempt from payment of all fees and all taxes
39 levied by this state or any of its political subdivisions, except taxes on property ~~or~~
40 and the fee imposed pursuant to the provisions of sections 2 to 62, inclusive, of
41 this act.

NEW section 159.85 of Senate Bill No. 252 is hereby added as follows:

1 *Sec. 159.85. NRS 687A.130 is hereby amended to read as follows:*
2 687A.130 The Association is exempt from payment of all fees and all taxes
3 levied by this State or any of its subdivisions, except: ~~taxes;~~
4 1. ~~Levied~~ *Taxes levied* on real or personal property; ~~for~~
5 2. ~~Imposed~~ *Taxes imposed* pursuant to the provisions of chapter 363A or
6 363B of NRS ~~;~~ *and*
7 3. *The fee imposed pursuant to the provisions of sections 2 to 62, inclusive,*
8 *of this act.*

NEW section 159.9 of Senate Bill No. 252 is hereby added as follows:

9 *Sec. 159.9. NRS 688C.210 is hereby amended to read as follows:*
10 688C.210 1. After notice, and after a hearing if requested, the
11 Commissioner may suspend, revoke, refuse to issue or refuse to renew a license
12 under this chapter if the Commissioner finds that:
13 (a) There was material misrepresentation in the application for the license;
14 (b) The licensee or an officer, partner, member or significant managerial
15 employee has been convicted of fraudulent or dishonest practices, is subject to a
16 final administrative action for disqualification, or is otherwise shown to be
17 untrustworthy or incompetent;
18 (c) A provider of viatical settlements has engaged in a pattern of unreasonable
19 payments to viators;
20 (d) The applicant or licensee has been found guilty or guilty but mentally ill of,
21 or pleaded guilty, guilty but mentally ill or nolo contendere to, a felony or a
22 misdemeanor involving fraud, forgery, embezzlement, obtaining money under false
23 pretenses, larceny, extortion, conspiracy to defraud or any crime involving moral
24 turpitude, whether or not a judgment of conviction has been entered by the court;
25 (e) A provider of viatical settlements has entered into a viatical settlement in a
26 form not approved pursuant to NRS 688C.220;
27 (f) A provider of viatical settlements has failed to honor obligations of a
28 viatical settlement or an agreement to purchase a viatical settlement;
29 (g) The licensee no longer meets a requirement for initial licensure;
30 (h) A provider of viatical settlements has assigned, transferred or pledged a
31 viaticated policy to a person other than another provider licensed under this chapter,
32 a purchaser of the viatical settlement or a special organization;
33 (i) The applicant or licensee has provided materially untrue information to an
34 insurer that issued a policy that is the subject of a viatical settlement;
35 (j) The applicant or licensee has failed to pay a tax as required pursuant to the
36 provisions of chapter 363A of NRS ~~;~~ *or a fee as required pursuant to the*
37 *provisions of sections 2 to 62, inclusive, of this act;*
38 (k) The applicant or licensee has violated a provision of this chapter or other
39 applicable provisions; or
40 (l) The applicant or licensee has acted in bad faith with regard to a viator.
41 2. A suspension imposed for grounds set forth in paragraph (k) or (l) of
42 subsection 1 must not exceed a period of 12 months.
43 3. If the Commissioner takes action as described in subsection 1, the applicant
44 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.

NEW section 159.93 of Senate Bill No. 252 is hereby added as follows:

Sec. 159.93. 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 captive insurer applies only to each protected cell and does not apply to the sponsored captive insurer as a whole.

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

5. Notwithstanding any specific statute to the contrary and except as otherwise provided in this subsection, the tax provided for by this section constitutes all the taxes collectible pursuant to the laws of this State from a captive insurer, and no occupation tax or other taxes may be levied or collected from a captive insurer by this State or by any county, city or municipality within this State, except for taxes imposed pursuant to chapter 363A or 363B of NRS, the fee imposed pursuant to sections 2 to 62, inclusive, of this act and ad valorem taxes on real or personal property located in this State used in the production of income by the captive insurer.

6. Twenty-five percent of the revenues collected from the tax imposed pursuant to this section must be deposited with the State Treasurer for credit to the Account for the Regulation and Supervision of Captive Insurers created pursuant to

1 NRS 694C.460. The remaining 75 percent of the revenues collected must be
2 deposited with the State Treasurer for credit to the State General Fund.

3 7. A captive insurer that is issued a license pursuant to this chapter after July
4 1, 2003, is entitled to receive a nonrefundable credit of \$5,000 applied against the
5 aggregate taxes owed by the captive insurer for the first year in which the captive
6 insurer incurs any liability for the payment of taxes pursuant to this section. A
7 captive insurer is entitled to a nonrefundable credit pursuant to this section not
8 more than once after the captive insurer is initially licensed pursuant to this chapter.

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

10 (a) "Common ownership and control" means:

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

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

17 (b) "Net direct premiums" means the direct premiums collected or contracted
18 for on policies or contracts of insurance written by a captive insurer during the
19 preceding calendar year, less the amounts paid to policyholders as return premiums,
20 including dividends on unabsorbed premiums or premium deposits returned or
21 credited to policyholders.

NEW section 159.97 of Senate Bill No. 252 is hereby added as follows:

22 **Sec. 159.97. NRS 695A.550 is hereby amended to read as follows:**

23 695A.550 Every society organized or licensed under this chapter is hereby
24 declared to be a charitable and benevolent institution, and is exempt from every
25 state, county, district, municipal and school tax other than the fee imposed
26 pursuant to sections 2 to 62, inclusive, of this act and taxes on real property and
27 office equipment.

Section 161 of Senate Bill No. 252 is hereby amended as follows:

28 **Sec. 161.** Notwithstanding the provisions of this act, the Department shall
29 waive payment of a penalty or interest for a person's failure to timely file a report
30 or pay the state business license fee imposed pursuant to section 19 of this act, and
31 shall not suspend or revoke a state business license issued pursuant to section 18 of
32 this act for any failure to comply with the provisions of this act, which occurs
33 before September 1, 2016, regardless of when the Department makes the
34 determination that the person failed to file a report or pay the state business
35 license fee, if the failure:

- 36 1. Occurred despite the person's exercise of ordinary care; and
37 2. Was not intentional or the result of willful neglect.

Section 162 of Senate Bill No. 252 is hereby amended as follows:

1 Sec. 162. 1. Any administrative regulations relating to the state
2 business license required pursuant to chapter 76 of NRS, as they existed before
3 July 1, 2015, which were adopted by the Secretary of State and which conflict
4 or are inconsistent with the provisions of this act, are void, unless those
5 regulations are amended before July 1, 2015, to be consistent with the
6 provisions of this act.

7 2. Any administrative regulations relating to the state business license
8 required pursuant to chapter 76 of NRS, as they existed before July 1, 2015, which
9 were adopted by the Secretary of State before July 1, 2015, and which are not in
10 conflict or inconsistent with the provisions of this act, remain in force until
11 amended by the Department of Taxation.