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FIRST REPRINT

A.B. 280

ASSEMBLY BILL NO. 280— ASSEMBLYMEN FLORES; BILBRAY-  
AXELROD, KRAMER AND SMITH

MARCH 18, 2019

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing document preparation services. (BDR 19-254)

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

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

AN ACT relating to document preparation services; defining “business entity”; authorizing a business entity to file a cash or surety bond for certain employees who perform document preparation services; setting forth certain procedures for claiming against a bond; exempting certain persons from the definition of a “document preparation service”; requiring an applicant for registration as a document preparation service to be a natural person; requiring the Secretary of State to deny or suspend the registration of a document preparation service under certain circumstances; revising provisions related to certain prohibited acts; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law establishes requirements for the registration and practice of a person who provides a document preparation service, which includes: (1) defining a “document preparation service”; (2) requiring persons who provide a document preparation service to register with the Secretary of State; (3) requiring persons who register as a document preparation service with the Secretary of State to file a cash bond or surety bond; and (4) prohibiting a person who provides a document preparation service from committing certain acts. (Chapter 240A of NRS) **Section 2** of this bill authorizes a business entity to file a cash or surety bond with the Secretary of State on behalf of employees of the business entity who perform document preparation services for the business entity. **Section 3** of this bill sets the amount of the bond filed by a business entity based on the number of employees covered by the bond, which includes temporary or seasonal employees. **Section 3.5** of this bill establishes procedures for claiming against a bond. **Section 7** of this bill



\* A B 2 8 0 R 1 \*

lowers the amount of the bond required for an individual registrant from \$50,000 to \$25,000. **Section 6** of this bill makes conforming changes.

**Section 1.5** of this bill defines the term "business entity."

**Section 4** of this bill revises the definition of "document preparation service" to exempt enrolled agents who are authorized to practice before the Internal Revenue Service. **Section 5** of this bill requires an applicant for registration as a document preparation service to be a natural person. **Section 8** of this bill makes conforming changes. **Section 5** also requires the Secretary of State to deny the registration of an applicant as a document preparation service if the applicant has had his or her appointment or registration as a notary public suspended or revoked for cause in this State or another state. **Section 10** of this bill authorizes the Secretary of State to suspend the registration of a registrant who is also appointed as a notary public and whose appointment as a notary public has been suspended.

Existing law prohibits a registrant from: (1) negotiating with another person concerning the rights or responsibilities of a client, communicating the position of a client to another person or conveying the position of another person to a client; (2) appearing on behalf of a client in a court proceeding or other formal adjudicative proceeding; (3) providing certain advice, explanations, opinions or recommendations to a client; or (4) selecting documents or strategies to assist a client. (NRS 240A.240) Under existing federal law, tax return preparers who are not enrolled agents have limited representation rights before the Internal Revenue Service. (IRS Rev. Proc. 2014-42) **Section 9** of this bill clarifies that these prohibitions do not apply to a registrant to the extent that it would violate federal law.

Existing law also prohibits a registrant from using certain terms, including "notary public," in any advertisement or written description of the registrant or services offered. (NRS 240A.240) **Section 9** provides that a registrant who is also an appointed notary public in this State and is in good standing with the Secretary of State may use the term "notary public" in such advertisements or written descriptions.

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

**Section 1.** Chapter 240A of NRS is hereby amended by adding thereto the provisions set forth as sections 1.5 to 3.5, inclusive, of this act.

**Sec. 1.5.** *"Business entity" means a corporation, association, partnership, limited-liability company, limited-liability partnership or other entity organized and existing under the laws of this State.*

**Sec. 2. 1.** *A business entity that has one or more employees who perform document preparation services may file with the Secretary of State a cash bond or surety bond on behalf of all employees of the business entity who are registered as a document preparation service and provide document preparation services for the business entity. Any such bond must be for the applicable amount set forth in section 3 of this act.*

**2.** *If a business entity files a cash bond or surety bond pursuant to subsection 1, the employees of the business entity who*



are covered by the bond are not required to file a cash bond or surety bond pursuant to NRS 240A.120.

3. A cash or surety bond filed pursuant to subsection 1 must be approved as to form by the Attorney General and conditioned to provide:

(a) Indemnification to a client or any other person who is determined in an action or proceeding to have suffered damage as a result of:

(1) An act or omission of a registrant employed by the business entity which violates a provision of this chapter or a regulation or order adopted or issued pursuant thereto;

(2) A wrongful failure or refusal by a registrant employed by the business entity to provide services in accordance with a contract entered into pursuant to NRS 240A.190;

(3) The fraud, dishonesty, negligence or other wrongful conduct of a registrant employed by the business entity; or

(4) An act or omission of a registrant employed by the business entity in violation of any other federal or state law for which the return of fees, an award of damages or the imposition of sanctions have been awarded by a court of competent jurisdiction in this State; or

(b) Payment to the Secretary of State for any civil penalty or award of attorney's fees or costs of suit owing and unpaid by a registrant employed by the business entity to the Secretary of State pursuant to this chapter.

4. No part of a bond filed pursuant to this section may be withdrawn while the registration of a registrant employed by the business entity remains in effect, or while a proceeding to suspend or revoke the registration is pending.

5. If a surety bond is filed pursuant to subsection 1:

(a) Except as otherwise provided in subsection 6, the bond must be executed by the business entity as principal and by a surety company qualified and authorized to do business in this State.

(b) The bond must cover the period of registration of each employee of the business entity who is registered as a document preparation service and performs document preparation services for the business entity, except when the surety is released in accordance with this section.

(c) The surety shall pay any final, nonappealable judgment of a court of this State that has jurisdiction, upon receipt of written notice that the judgment is final.

(d) The bond may be continuous, but regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.



(e) If the penal sum of the bond is exhausted, the surety shall give written notice to the Secretary of State and the business entity within 30 days after its exhaustion.

(f) The surety may be released after giving 30 days' written notice to the Secretary of State and the business entity, but the release does not discharge or otherwise affect any claim resulting from an act or omission which is alleged to have occurred while the bond was in effect.

6. If a business entity employs only one registrant to perform document preparation services, the registrant must be named as principal in the bond filed pursuant to this section.

7. Except as otherwise provided in this subsection, if a cash bond is filed pursuant to subsection 1, the Secretary of State may retain the bond until the expiration of 3 years after the date the business entity has ceased to do business, or 3 years after the date of the expiration or revocation of the registration of each employee of the business entity who is registered as a document preparation service and performs document preparation services for the business entity, to ensure that there are no outstanding claims against the bond. A court of competent jurisdiction may order the return of the bond, or any part of the bond, at an earlier date upon evidence satisfactory to the court that there are no outstanding claims against the bond or that the part of the bond retained by the Secretary of State is sufficient to satisfy any outstanding claims. Interest on a cash bond filed pursuant to subsection 1 must accrue to the account of the depositor.

8. The registration of a registrant is suspended by operation of law when the registrant is no longer covered by a bond or the penal sum of the bond is exhausted. If the Secretary of State receives notice pursuant to subsection 5 that the penal sum of a surety bond is exhausted or that the surety is being released, the Secretary of State shall immediately notify the business entity and each registrant covered under the bond in writing that their registration is suspended by operation of law until another bond is filed in the same manner and amount as the former bond.

9. The Secretary of State may reinstate the registration of a registrant whose registration has been suspended pursuant to subsection 8 if, before the current term of the registration expires, the business entity files with the Secretary of State a new bond meeting the requirements of this section or the registrant files with the Secretary of State a new bond meeting the requirements of NRS 240A.120.

10. Except as specifically authorized or required by this chapter, a business entity or registrant shall not make or cause to



1 *be made any oral or written reference to the registrant's*  
2 *compliance with the requirements of this section.*

3 **Sec. 3. 1.** *A bond filed by a business entity pursuant to*  
4 *section 2 of this act on behalf of the employees of the business*  
5 *entity who are registered as a document preparation service must*  
6 *be in the penal sum of:*

7 *(a) If the business entity employs 1 registrant to perform*  
8 *document preparation services, \$25,000;*

9 *(b) If the business entity employs at least 2 but not more than*  
10 *25 registrants to perform document preparation services, \$50,000;*

11 *(c) If the business entity employs at least 26 but not more than*  
12 *75 registrants to perform document preparation services, \$75,000;*

13 *(d) If the business entity employs at least 76 but not more than*  
14 *125 registrants to perform document preparation services,*  
15 *\$100,000;*

16 *(e) If the business entity employs at least 126 but not more*  
17 *than 200 registrants to perform document preparation services,*  
18 *\$150,000; and*

19 *(f) If the business entity employs more than 200 registrants to*  
20 *perform document preparation services, \$200,000.*

21 **2.** *For purposes of determining the amount of the bond*  
22 *required pursuant to subsection 1, the number of registrants*  
23 *employed by a business entity to perform document preparation*  
24 *services is the greatest number of registrants who will perform*  
25 *document preparation services for the business entity at any time*  
26 *during the year, including, without limitation, on a temporary or*  
27 *seasonal basis.*

28 **Sec. 3.5. 1.** *A claim against a bond filed pursuant to NRS*  
29 *240A.120 or section 2 of this act may be filed in a court of*  
30 *competent jurisdiction for damages to the extent covered by the*  
31 *bond. A claim may not be brought against a bond after 3 years*  
32 *from the date of the act on which the action is based.*

33 **2.** *If a person commences an action pursuant to subsection 1,*  
34 *he or she must notify the Secretary of State in writing upon filing*  
35 *the action. Upon receiving such notification, the Secretary of State*  
36 *shall notify the person:*

37 *(a) Whether the bond is in effect;*

38 *(b) The amount of the bond; and*

39 *(c) If there is any other claim against the bond, the title, court*  
40 *and case number of the action and the amount sought by the*  
41 *plaintiff in the other action.*

42 **3.** *If a surety wishes to make payment without awaiting action*  
43 *by a court:*

44 *(a) The amount of the bond must be reduced to the extent of*  
45 *any payment made by the surety in good faith under the bond; and*



(b) Any payment must be based on written claims received by the surety before any action is taken by a court.

4. A surety may bring an action for interpleader against all claimants upon the bond. If such an action for interpleader is brought, the surety:

(a) Shall publish notice of the action at least once each week for 2 weeks in every issue of a newspaper of general circulation in the county of the principal place of business of the registrant or business entity, as applicable; and

(b) May deduct its costs of the action, including, without limitation, costs for attorney's fees and publication, from its liability under the bond.

5. Claims against a bond have equal priority. If a bond is insufficient to pay all claims in full, the claims must be paid on a pro rata basis. Any claimant may bring action against the registrant or business entity, as applicable, for the unpaid balance of a claim.

**Sec. 3.7.** NRS 240A.010 is hereby amended to read as follows:

240A.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 240A.020 to 240A.050, inclusive, *and section 1.5 of this act*, have the meanings ascribed to them in those sections.

**Sec. 4.** NRS 240A.030 is hereby amended to read as follows:

240A.030 1. "Document preparation service" means a person who:

(a) For compensation and at the direction of a client, provides assistance to the client in a legal matter, including, without limitation:

(1) Preparing or completing any pleading, application or other document for the client;

(2) Translating an answer to a question posed in such a document;

(3) Securing any supporting document, such as a birth certificate, required in connection with the legal matter;

(4) Submitting a completed document on behalf of the client to a court or administrative agency; or

(5) Preparing or assisting in the preparation of all or substantially all of a federal or state tax return or claim for a tax refund; or

(b) Holds himself or herself out as a person who provides such services.

2. The term includes, without limitation:

(a) A paralegal who performs one or more of the actions described in subsection 1 unless the paralegal works under the



1 direction and supervision of an attorney authorized to practice law  
2 in this State;

3 (b) A bankruptcy petition preparer as defined by section 110 of  
4 the United States Bankruptcy Code, 11 U.S.C. § 110; and

5 (c) ~~{An enrolled agent authorized to practice before}~~ **A tax**  
6 **return preparer, including, without limitation, a tax return**  
7 **preparer who holds a current Annual Filing Season Program**  
8 **Record of Completion issued by** the Internal Revenue Service.

9 3. The term does not include:

10 (a) A person who provides only secretarial or receptionist  
11 services.

12 (b) An attorney:

13 (1) Authorized to practice law in this State, or an employee  
14 of such an attorney who is paid directly by the attorney or law firm  
15 with whom the attorney is associated and who is acting in the course  
16 and scope of that employment.

17 (2) Authorized to practice law in any other state or the  
18 District of Columbia who provides services related to the legal  
19 matters described in subsection 2 of NRS 240A.040.

20 (c) A law student certified by the State Bar of Nevada for  
21 training in the practice of law.

22 (d) A governmental entity or an employee of such an entity who  
23 is acting in the course and scope of that employment.

24 (e) A nonprofit organization formed pursuant to title 7 of NRS  
25 which the Secretary of the Treasury has determined is a tax-exempt  
26 organization pursuant to 26 U.S.C. § 501(c) and which provides  
27 legal services to persons free of charge, or an employee of such an  
28 organization who is acting in the course and scope of that  
29 employment.

30 (f) A legal aid office or lawyer referral service operated,  
31 sponsored or approved by a duly accredited law school, a  
32 governmental entity, the State Bar of Nevada or any other bar  
33 association which is representative of the general bar of the  
34 geographical area in which the bar association exists, or an  
35 employee of such an office or service who is acting in the course  
36 and scope of that employment.

37 (g) A military legal assistance office or a person assigned to  
38 such an office who is acting in the course and scope of that  
39 assignment.

40 (h) Except as otherwise provided in paragraphs (b) and (c) of  
41 subsection 2, a person licensed by or registered with an agency or  
42 entity of the United States Government acting within the scope of  
43 his or her license or registration, including, without limitation, an  
44 accredited immigration representative ~~+~~ **and an enrolled agent**  
45 **authorized to practice before the Internal Revenue Service.**



(i) A corporation, limited-liability company or other entity representing or acting for itself through an officer, manager, member or employee of the entity, or any such officer, manager, member or employee who is acting in the course and scope of that employment.

(j) A commercial wedding chapel.

(k) A person who provides legal forms or computer programs that enable another person to create legal documents.

(l) A commercial registered agent.

(m) A person who holds a license, permit, certificate, registration or any other type of authorization required by chapter 645 or 692A of NRS, or any regulation adopted pursuant thereto, and is acting within the scope of that authorization.

(n) A collection agency that is licensed pursuant to chapter 649 of NRS.

(o) A certified public accountant pursuant to the provisions of chapter 628 of NRS or a financial planner that is subject to the requirements of chapter 628A of NRS who is acting within the scope of the license or requirements, as applicable, to prepare or assist in preparing a federal or state tax return or claim for a tax refund for another person.

4. As used in this section:

(a) "Commercial registered agent" has the meaning ascribed to it in NRS 77.040.

(b) "Commercial wedding chapel" means a permanently affixed structure which operates a business principally for the performance of weddings and which is licensed for that purpose.

**Sec. 5.** NRS 240A.100 is hereby amended to read as follows:

240A.100 1. A person who wishes to engage in the business of a document preparation service must be registered by the Secretary of State pursuant to this chapter. An applicant for registration must be ~~at~~:

(a) *A natural person;*

(b) *A citizen or legal resident of the United States or hold a valid Employment Authorization Document issued by the United States Citizenship and Immigration Services of the Department of Homeland Security ; [ ] and [be at]*

(c) *At least 18 years of age.*

2. The Secretary of State shall not register as a document preparation service any person:

(a) Who is suspended or has previously been disbarred from the practice of law in any jurisdiction;

(b) Whose registration as a document preparation service in this State or another state has previously been revoked for cause;



(c) *Whose appointment or registration as a notary public in this State or another state has been previously revoked or suspended for cause;*

(d) Who has previously been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a gross misdemeanor or a category D felony pursuant to NRS 240A.290; or

~~[(d)]~~ (e) Who has, within the 10 years immediately preceding the date of the application for registration as a document preparation service, been:

(1) Convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a crime involving theft, fraud or dishonesty;

(2) Convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, the unauthorized practice of law pursuant to NRS 7.285 or the corresponding statute of any other jurisdiction; or

(3) Adjudged by the final judgment of any court to have committed an act involving theft, fraud or dishonesty.

3. An application for registration as a document preparation service must be made under penalty of perjury on a form prescribed by regulation of the Secretary of State and must be accompanied by:

(a) A nonrefundable application fee of \$50; and

(b) A cash bond or surety bond meeting the requirements of NRS 240A.120 ~~or~~ *or proof that the applicant is covered by a bond filed by a business entity pursuant to section 2 of this act.*

4. An applicant for registration must submit to the Secretary of State a declaration under penalty of perjury stating that the applicant has not had a certificate or license as a document preparation service revoked or suspended in this State or any other state or territory of the United States.

5. After the investigation of the history of the applicant is completed, the Secretary of State shall issue a certificate of registration if the applicant is qualified for registration and has complied with the requirements of this section. Each certificate of registration must bear the name of the registrant and a registration number unique to that registrant. The Secretary of State shall maintain a record of the name and registration number of each registrant.

6. An application for registration as a document preparation service that is not completed within 120 days after the date on which the application was submitted must be denied. If an application is denied pursuant to this subsection, the applicant may submit a new application.



**Sec. 6.** NRS 240A.110 is hereby amended to read as follows:

240A.110 1. The registration of a document preparation service is valid for 1 year after the date of issuance of the certificate of registration, unless the registration is suspended or revoked. Except as otherwise provided in this section, the registration may be renewed subject to the same conditions as the initial registration. An application for renewal must be made under penalty of perjury on a form prescribed by regulation of the Secretary of State and must be accompanied by:

(a) A renewal fee of \$25; and

(b) A cash bond or surety bond meeting the requirements of NRS 240A.120 ~~or proof that the applicant is covered by a bond filed by a business entity pursuant to section 2 of this act~~, unless the bond previously filed by the registrant remains on file and in effect.

2. The registration of a registrant who holds a valid Employment Authorization Document issued by the United States Citizenship and Immigration Services of the Department of Homeland Security must expire on the date on which that person's employment authorization expires.

3. The Secretary of State may:

(a) Conduct any investigation of a registrant that the Secretary of State deems appropriate.

(b) Require a registrant to submit a complete set of fingerprints and written permission authorizing the Secretary of State to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

4. After any investigation of the history of a registrant is completed, unless the Secretary of State elects or is required to deny renewal pursuant to this section or NRS 240A.270, the Secretary of State shall renew the registration if the registrant is qualified for registration and has complied with the requirements of this section.

**Sec. 7.** NRS 240A.120 is hereby amended to read as follows:

240A.120 1. ~~Except as otherwise provided in sections 2 and 3 of this act~~, a registrant shall file with the Secretary of State a cash bond or surety bond in the penal sum of ~~[\$50,000]~~ **\$25,000** which is approved as to form by the Attorney General and conditioned to provide:

(a) Indemnification to a client or any other person who is determined in an action or proceeding to have suffered damage as a result of:

(1) An act or omission of the registrant, or an agent or employee of the registrant, which violates a provision of this chapter or a regulation or order adopted or issued pursuant thereto;



(2) A wrongful failure or refusal by the registrant, or an agent or employee of the registrant, to provide services in accordance with a contract entered into pursuant to NRS 240A.190;

(3) The fraud, dishonesty, negligence or other wrongful conduct of the registrant or an agent or employee of the registrant; or

(4) An act or omission of the registrant in violation of any other federal or state law for which the return of fees, an award of damages or the imposition of sanctions have been awarded by a court of competent jurisdiction in this State; or

(b) Payment to the Secretary of State for any civil penalty or award of attorney's fees or costs of suit owing and unpaid by the registrant to the Secretary of State pursuant to this chapter.

2. No part of the bond may be withdrawn while the registration of the registrant remains in effect, or while a proceeding to suspend or revoke the registration is pending.

3. If a surety bond is filed pursuant to subsection 1:

(a) The bond must be executed by the registrant as principal and by a surety company qualified and authorized to do business in this State.

(b) The bond must cover the period of the registration of the registrant, except when the surety is released in accordance with this section.

(c) The surety shall pay any final, nonappealable judgment of a court of this State that has jurisdiction, upon receipt of written notice that the judgment is final.

(d) The bond may be continuous, but regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.

(e) If the penal sum of the bond is exhausted, the surety shall give written notice to the Secretary of State and the registrant within 30 days after its exhaustion.

(f) The surety may be released after giving 30 days' written notice to the Secretary of State and the registrant, but the release does not discharge or otherwise affect any claim resulting from an act or omission which is alleged to have occurred while the bond was in effect.

4. Except as otherwise provided in this subsection, if a cash bond is filed pursuant to subsection 1, the Secretary of State may retain the bond until the expiration of 3 years after the date the registrant has ceased to do business, or 3 years after the date of the expiration or revocation of the registration, to ensure that there are no outstanding claims against the bond. A court of competent jurisdiction may order the return of the bond, or any part of the bond, at an earlier date upon evidence satisfactory to the court that



1 there are no outstanding claims against the bond or that the part of  
2 the bond retained by the Secretary of State is sufficient to satisfy  
3 any outstanding claims. Interest on a cash bond filed pursuant to  
4 subsection 1 must accrue to the account of the depositor.

5 5. The registration of a registrant is suspended by operation of  
6 law when the registrant is no longer covered by a bond or the penal  
7 sum of the bond is exhausted. If the Secretary of State receives  
8 notice pursuant to subsection 3 that the penal sum of a surety bond  
9 is exhausted or that the surety is being released, the Secretary of  
10 State shall immediately notify the registrant in writing that his or her  
11 registration is suspended by operation of law until another bond is  
12 filed in the same manner and amount as the former bond.

13 6. The Secretary of State may reinstate the registration of a  
14 registrant whose registration has been suspended pursuant to  
15 subsection 5 if, before the current term of the registration expires,  
16 the registrant files with the Secretary of State a new bond meeting  
17 the requirements of this section.

18 7. Except as specifically authorized or required by this chapter,  
19 a registrant shall not make or cause to be made any oral or written  
20 reference to the registrant's compliance with the requirements of  
21 this section.

22 **Sec. 8.** NRS 240A.130 is hereby amended to read as follows:

23 240A.130 1. In addition to any other requirements set forth in  
24 this chapter:

25 (a) A ~~natural~~ person who applies for registration or the renewal  
26 of registration as a document preparation service pursuant to NRS  
27 240A.100 or 240A.110 must include the social security number of  
28 the applicant in the application submitted to the Secretary of State.

29 (b) An applicant described in paragraph (a) shall submit to the  
30 Secretary of State the statement prescribed by the Division of  
31 Welfare and Supportive Services of the Department of Health and  
32 Human Services pursuant to NRS 425.520. The statement must be  
33 completed and signed by the applicant.

34 2. The Secretary of State shall include the statement required  
35 pursuant to subsection 1 in:

36 (a) The application or any other forms that must be submitted  
37 for registration or the renewal of registration; or

38 (b) A separate form prescribed by the Secretary of State.

39 3. Registration as a document preparation service may not be  
40 issued or renewed by the Secretary of State if the applicant:

41 (a) Fails to submit the statement required pursuant to subsection  
42 1; or

43 (b) Indicates on the statement submitted pursuant to subsection  
44 1 that the applicant is subject to a court order for the support of a  
45 child and is not in compliance with the order or a plan approved by



1 the district attorney or other public agency enforcing the order for  
2 the repayment of the amount owed pursuant to the order.

3 4. If an applicant indicates on the statement submitted pursuant  
4 to subsection 1 that the applicant is subject to a court order for the  
5 support of a child and is not in compliance with the order or a plan  
6 approved by the district attorney or other public agency enforcing  
7 the order for the repayment of the amount owed pursuant to the  
8 order, the Secretary of State shall advise the applicant to contact the  
9 district attorney or other public agency enforcing the order to  
10 determine the actions that the applicant may take to satisfy the  
11 arrearage.

12 **Sec. 9.** NRS 240A.240 is hereby amended to read as follows:

13 240A.240 1. A registrant shall not:

14 ~~1.1~~ (a) After the date of the last service performed for a client,  
15 retain any fees or costs for services not performed or costs not  
16 incurred.

17 ~~1.2~~ (b) Make, orally or in writing:

18 ~~1.2(a)~~ (1) A promise of the result to be obtained by the filing or  
19 submission of any document, unless the registrant has some basis in  
20 fact for making the promise;

21 ~~1.2(b)~~ (2) A statement that the registrant has some special  
22 influence with or is able to obtain special treatment from the court  
23 or agency with which a document is to be filed or submitted; or

24 ~~1.2(c)~~ (3) A false or misleading statement to a client if the  
25 registrant knows that the statement is false or misleading or knows  
26 that the registrant lacks a sufficient basis for making the statement.

27 ~~1.3~~ ~~1.3~~

28 (c) *Except as otherwise provided in subsection 3, in* any  
29 advertisement or written description of the registrant or the services  
30 provided by the registrant, or on any letterhead or business card of  
31 the registrant, use the term "legal aid," "legal services," "law  
32 office," "notario," "notario publico," "notary public," "notary,"  
33 "paralegal," "legal assistant," "licensed," "licenciado," "attorney,"  
34 "lawyer" or any similar term, in English, Spanish or any other  
35 language, which implies that the registrant:

36 ~~1.3(a)~~ (1) Offers services without charge if the registrant does not  
37 do so;

38 ~~1.3(b)~~ (2) Is an attorney authorized to practice law in this State;  
39 or

40 ~~1.3(c)~~ (3) Is acting under the direction and supervision of an  
41 attorney.

42 ~~1.4~~ (d) Represent himself or herself, orally or in writing, as a  
43 paralegal or legal assistant which implies that the registrant is acting  
44 under the direction and supervision of an attorney licensed to  
45 practice law in this State.



~~{5.—Negotiate}~~

*(e) Except as otherwise provided in subsection 2, negotiate with another person concerning the rights or responsibilities of a client, communicate the position of a client to another person or convey the position of another person to a client.*

~~{6.—Appear}~~

*(f) Except as otherwise provided in subsection 2, appear on behalf of a client in a court proceeding or other formal adjudicative proceeding, unless the registrant is ordered to appear by the court or presiding officer.*

~~{7.—Provide}~~

*(g) Except as otherwise provided in subsection 2, provide any advice, explanation, opinion or recommendation to a client about possible legal rights, remedies, defenses, options or the selection of documents or strategies, except that a registrant may provide to a client published factual information, written or approved by an attorney, relating to legal procedures, rights or obligations.*

~~{8.—}~~ *(h) Seek or obtain from a client a waiver of any provision of this chapter. Any such waiver is contrary to public policy and void.*

*2. The provisions of paragraphs (e), (f) and (g) of subsection 1 do not apply to a registrant to the extent that compliance with such provisions would violate federal law.*

*3. A registrant who is also a notary public appointed by the Secretary of State pursuant to chapter 240 of NRS and in good standing with the Secretary of State may, in any advertisement or written description of the registrant or the services provided by the registrant, use the term “notary public.”*

**Sec. 10.** NRS 240A.270 is hereby amended to read as follows:

240A.270 1. The Secretary of State may deny, suspend, revoke or refuse to renew the registration of any person who violates a provision of this chapter or a regulation or order adopted or issued pursuant thereto. Except as otherwise provided in ~~{subsection}~~ *subsections 2* ~~{and}~~ *and 3*, a suspension or revocation may be imposed only after a hearing.

*2. The Secretary of State may suspend the registration of any person who is also appointed as a notary public pursuant to NRS 240.010 and whose appointment as a notary public is suspended for violating the provisions of NRS 240.001 to 240.169, inclusive, or a regulation or order adopted or issued pursuant thereto. If the Secretary of State suspends the registration of a registrant pursuant to this subsection:*

*(a) The Secretary of State shall notify the registrant in writing of the suspension.*



(b) *The registrant may have his or her registration as a document preparation service reinstated by the Secretary of State if his or her registration as a document preparation service has not expired during the suspension upon a showing that his or her suspension as a notary public has been lifted.*

~~{2.—The}~~

*3. Except as otherwise provided in subsection 2, the* Secretary of State shall immediately revoke the registration of a registrant upon the receipt of an official document or record showing:

(a) The entry of a judgment or conviction; or

(b) The occurrence of any other event,

➔ that would disqualify the registrant from registration pursuant to subsection 2 of NRS 240A.100.

**Sec. 11.** This act becomes effective upon passage and approval.

