

Amendment No. 251

Senate Amendment to Senate Bill No. 375	(BDR 7-773)
Proposed by: Senate Committee on Judiciary	
Amends: Summary: Yes Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

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 language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

WBD/BJE



Date: 4/20/2019

S.B. No. 375—Exempts certain persons and entities who operate home-based businesses from the requirement to obtain a state business license. (BDR 7-773)





## SENATE BILL NO. 375—SENATOR HANSEN

MARCH 20, 2019

Referred to Committee on Judiciary

SUMMARY—~~[Exempts]~~ **Revises threshold for determining whether** certain persons and entities who operate home-based businesses **are exempt** from the requirement to obtain a state business license. (BDR 7-773)

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

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

AN ACT relating to state business licenses; ~~[exempting]~~ **revising the threshold for determining whether** certain persons and entities who operate home-based businesses **are exempt** from the requirement to obtain a state business license; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Under existing law, a person who operates a business from his or her home and whose net earnings from that business are not more than 66 2/3 percent of the average annual wage is exempt from the requirement to obtain a state business license. (NRS 76.020, 76.100) This bill provides instead that a person who operates a business from his or her home is exempt from the requirement to obtain a state business license if his or her annual ~~[gross]~~ **net** earnings from that business are not more than \$60,000. ~~[This bill also extends the exemption for home-based businesses to certain business entities that operate a business from the home of a natural person who is a shareholder, director, officer, member, managing member, partner or trustee of the entity.]~~

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

**Section 1.** NRS 76.020 is hereby amended to read as follows:

76.020 1. Except as otherwise provided in subsection 2, “business” means:

(a) Any person, except a natural person, that performs a service or engages in a trade for profit;

(b) Any natural person who performs a service or engages in a trade for profit if the person is required to file with the Internal Revenue Service a Schedule C (Form 1040), Profit or Loss From Business Form, or its equivalent or successor form, a Schedule E (Form 1040), Supplemental Income and Loss Form, or its equivalent or successor form, or a Schedule F (Form 1040), Profit or Loss From Farming Form, or its equivalent or successor form, for that activity; or

(c) Any entity organized pursuant to this title, including, without limitation, those entities required to file with the Secretary of State, whether or not the entity performs a service or engages in a business for profit.

2. The term does not include:

(a) A governmental entity.

(b) A nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c).

(c) A person who operates a business from his or her home and whose annual net [annual gross] earnings from that business are not more than ~~[(66 2/3 percent of the average annual wage, as computed for the preceding calendar year pursuant to chapter 612 of NRS and rounded to the nearest hundred dollars.)]~~ \$60,000.

~~(d) [An entity organized pursuant to this title that operates a business from the home of a natural person who is a shareholder, director, officer, member, managing member, partner or trustee of the entity and whose annual gross earnings from that business are not more than \$60,000.]~~

~~—(e)~~ A natural person whose sole business is the rental of four or fewer dwelling units to others.

~~(e)~~ ~~[(f)]~~ A business organized pursuant to chapter 82 or 84 of NRS.

~~(f)~~ ~~[(g)]~~ A business organized pursuant to chapter 81 of NRS if the business is a nonprofit unit-owners' association.

**Sec. 2.** ~~[NRS 76.100 is hereby amended to read as follows:]~~

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

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

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

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

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

~~—(b) Set forth the name under which the applicant transacts or intends to transact business, or if the applicant is an entity organized pursuant to this title and on file with the Secretary of State, the exact name on file with the Secretary of State, the business identification number as assigned by the Secretary of State pursuant to NRS 225.082, and the location in this State of the place or places of business;~~

~~—(c) Be accompanied by a fee in the amount of \$200, except that if the applicant is a corporation organized pursuant to chapter 78, 78A or 78B of NRS, or a foreign corporation required to file an initial or annual list with the Secretary of State pursuant to chapter 80 of NRS, the application must be accompanied by a fee of \$500; and~~

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

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

~~3. The application must be signed pursuant to NRS 230.330 by:~~

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

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

~~—(c) A general partner of a limited partnership.~~

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

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

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

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

~~5. A state business license issued pursuant to this section must contain the business identification number assigned by the Secretary of State pursuant to NRS 225.082.~~

~~6. The state business license required to be obtained pursuant to this section is in addition to any license to conduct business that must be obtained from the local jurisdiction in which the business is being conducted.~~

~~7. For the purposes of this chapter, a person:~~

~~(a) Shall be deemed to conduct a business in this State if a business for which the person is responsible:~~

~~(1) Is organized pursuant to this title, other than [a];~~

~~(I) A business organized pursuant to [;~~

~~(I) Chapter] chapter 82 or 84 of NRS; [or]~~

~~(II) [Chapter] A business organized pursuant to chapter 81 of NRS if the business is a nonprofit unit-owners' association or a nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-exempt organization pursuant to 26 U.S.C. § 501(c); or~~

~~(III) An entity that operates a business from the home of a natural person who is a shareholder, director, officer, member, managing member, partner or trustee of the entity and whose annual gross earnings from that business are not more than \$60,000.~~

~~(2) Has an office or other base of operations in this State;~~

~~(3) Except as otherwise provided in NRS 76.103, has a registered agent in this State; or~~

~~(4) 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.~~

~~(b) Shall be deemed not to conduct a business in this State if the business for which the person is responsible:~~

~~(1) Is not organized pursuant to this title;~~

~~(2) Does not have an office or base of operations in this State;~~

~~(3) Does not have a registered agent in this State;~~

~~(4) Does not pay wages or other remuneration to a natural person who performs in this State any of the duties for which he or she is paid, other than wages or other remuneration paid to a natural person for performing duties in connection with an activity described in subparagraph (5); and~~

~~(5) Is conducting activity in this State solely to provide vehicles or equipment on a short term basis in response to a wildland fire, a flood, an earthquake or another emergency.~~

~~8. As used in this section, "registered agent" has the meaning ascribed to it in NRS 77.230.] (Deleted by amendment.)~~

**Sec. 3.** This act becomes effective:

1. Upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

2. On July 1, 2019, for all other purposes.