

SENATE BILL NO. 161—SENATORS KIECKHEFER; AND SPEARMAN

FEBRUARY 14, 2019

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to certain financial businesses, products and services. (BDR 52-875)

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 financial businesses; requiring the Director of the Department of Business and Industry to establish and administer the Regulatory Experimentation Program for Product Innovation; setting forth the requirements for the operation of the Program; providing for a temporary exemption from certain statutory and regulatory requirements related to financial products and services for a participant in the Program under certain circumstances; requiring the Director to submit to the Legislature an annual report on the Program; revising provisions governing the registration by the Nevada State Board of Accountancy of partnerships, corporations, limited-liability companies and sole proprietorships; revising provisions relating to persons who make loans exclusively via the Internet; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 The existing provisions of chapters 645A, 645B, 645F and 645G of NRS, titles
2 55 and 56 of NRS and the various regulations adopted pursuant to those statutes
3 impose licensing and other regulatory requirements on the provision of certain
4 financial products and services, ranging from consumer lending to banking and
5 debt counseling. This bill, modeled after similar legislation from Arizona, generally
6 provides for the establishment and administration of a program by the Director of
7 the Department of Business and Industry under which persons offering or providing
8 such a product or service in a technically innovative way may seek a temporary
9 exemption from some or all of the statutory and regulatory provisions that
10 otherwise apply to the product or service. (Ariz. Rev. Stat. Ann. §§ 41-5601 et seq.)
11 At the end of the period of exemption, a participant in the program must cease to



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provide the product or service or continue operations in accordance with applicable licensing and other requirements.

Section 11 of this bill requires the Director to establish and administer the Regulatory Experimentation Program for Product Innovation. A person who desires to become a participant in the Program is required by **section 12** of this bill to submit an application to the Director. If the Director approves the application, **section 15** of this bill provides that the product or service of the participant is generally exempt from any provision of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant to any of those statutes, except as the Director may otherwise require. **Section 46.3** of this bill imposes certain temporary limitations on the number of persons who may participate in the Program.

Sections 16 and 17 of this bill establish requirements and limitations on the provisions of a product or service under the Program. **Section 16** of this bill limits the number of consumers in this State to whom a product or service may be provided by a participant, while **section 17** of this bill imposes certain specific requirements and limitations applicable to participants who are transmitters of money. **Section 19** of this bill authorizes the Director to grant relief from some of these requirements and limitations under certain circumstances.

Sections 20-24 of this bill govern the operation of the Program. **Section 20** of this bill sets forth certain disclosures that must be made before a product or service is provided to a recipient of the product or service. **Section 21** of this bill requires the Director to establish a system for the submission of complaints. **Sections 22 and 23** of this bill contain provisions relating to recordkeeping and the confidentiality of records relating to the Program.

Pursuant to **sections 25 and 26** of this bill, the period of participation in the Program is generally limited to 2 years, at which time a participant must cease to offer or provide a product or service under the Program. A participant may seek an extension of this period to apply for any license or other authorization otherwise required for the product or service.

Section 26.3 of this bill authorizes the Director to take certain actions if a participant has engaged in, is engaging in or threatens to engage in any act or omission that the Director determines is inconsistent with the health, safety or welfare of consumers or the public generally. **Section 27** of this bill authorizes the Director to act to enjoin or otherwise prevent any violation of the provisions governing the Program. **Section 30** of this bill: (1) requires the Director, in consultation with the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General and the applicable regulator, to adopt certain regulations for the protection of consumers of financial products or services through the Program; and (2) authorizes the Director to adopt any other regulations necessary to carry out the Program. **Section 31** of this bill requires the Director to report annually to the Legislature on the status of the Program. **Sections 35, 37-42, 43 and 44-47** of this bill make conforming changes.

Existing law grants practice privileges in this State to a natural person who holds a valid license as a certified public accountant in another state, territory or possession of the United States or the District of Columbia. (NRS 628.033, 628.315) Such a natural person is not required to obtain a certificate of certified public accountant or a permit to engage in the practice of public accounting from the Nevada State Board of Accountancy but is required to consent to certain specified conditions, including consent to the disciplinary authority of the Board. (NRS 628.315) **Section 36.15** of this bill extends the authority of the Board to grant such practice privileges to a certified public accounting firm organized as a partnership, corporation or limited-liability company or a sole proprietorship which holds a valid registration in good standing from another state, territory or possession of the United States or the District of Columbia. Such a certified public



accounting firm is not required to register with the Board, but is required to consent to the same conditions as natural persons, such as consent to the disciplinary authority of the Board. **Sections 36.1, 36.25-36.85 and 47.5** of this bill make conforming changes. **Section 36.2** of this bill exempts certain entities whose sole business is preparing tax returns and related schedules from the requirement of registration.

Existing law prohibits a person from engaging in the business of lending in this State without having first obtained a license from the Commissioner of Financial Institutions for each office or other place of business in which the person engages in the business of lending. (NRS 675.060) Under existing law, a person who wishes to obtain a license for an office or place of business located outside of this State is required, among other requirements, to have a license for an office or place of business located inside this State. (NRS 675.090) **Section 43.3** of this bill authorizes persons who make loans exclusively via the Internet, who are designated by **section 42.5** of this bill as "Internet lenders," to apply for a license to engage in the business of lending for an office or place of business located outside of this State without having a license for an office or place of business located inside this State. **Section 43.7** of this bill exempts Internet lenders from provisions of existing law which prohibit persons from conducting the business of making loans in the same office or place of business as any other business. (NRS 675.230)

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

Section 1. Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 31, inclusive, of this act.

Sec. 2. *As used in sections 2 to 31, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3 to 10, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 3. *"Applicable regulator" means the Commissioner of Mortgage Lending, the Division of Mortgage Lending of the Department of Business and Industry, the Commissioner of Financial Institutions or the Division of Financial Institutions of the Department of Business and Industry, as applicable, responsible for regulating a financial product or service.*

Sec. 4. (Deleted by amendment.)

Sec. 5. *"Consumer" means any person who purchases or otherwise enters into a transaction or agreement to receive a financial product or service.*

Sec. 5.5. *"Director" means the Director of the Department of Business and Industry.*

Sec. 6. *"Financial product or service" or "product or service" means any product, service, activity, business model, mechanism for delivery or element of any of these that:*

1. Includes an innovation; and



2. But for the provisions of sections 2 to 31, inclusive, of this act, is governed by the provisions of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

Sec. 7. "Innovation" means any use of a new or emerging technology, or any novel use of an existing technology, to address a problem, provide a benefit or otherwise offer or provide a financial product or service that is determined by the Director not to be widely available in this State.

Sec. 8. "Participant" means a person whose application to participate in the Program has been approved by the Director pursuant to section 14 of this act.

Sec. 9. "Program" means the Regulatory Experimentation Program for Product Innovation established and administered by the Director pursuant to sections 2 to 31, inclusive, of this act.

Sec. 10. "Test" means to offer or provide a financial product or service through the Program.

Sec. 11. In consultation with each applicable regulator, the Director shall establish and administer the Regulatory Experimentation Program for Product Innovation to enable a person to obtain limited access to markets in this State to test a financial product or service without:

1. Applying for or obtaining any license or other authorization otherwise required by any provision of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto; or

2. Otherwise complying with any provision of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto, except as otherwise required by the Director pursuant to section 15 or 26.3 of this act.

Sec. 12. 1. A person who desires to participate in the Program to test a financial product or service must submit a written application in accordance with this section, in the form prescribed by the Director. A separate application must be filed for each product or service proposed for testing.

2. The application must show that the applicant will at all times during the test:

(a) Be subject to the exercise of personal jurisdiction by the courts of this State; and

(b) Establish and maintain a physical or virtual location that is reasonably accessible to the Director, from which testing will occur and at which all records, documents and data required by sections 2 to 31, inclusive, of this act will be maintained.

3. The application must include:



(a) A description of the product or service proposed for testing and an explanation of:

(1) The innovation included in the product or service;

(2) The regulatory scheme otherwise applicable to the product or service outside the Program;

(3) Any benefit of the product or service to consumers;

(4) Any risk of financial loss or other harm to consumers associated with the product or service;

(5) The nature or features of the product or service that distinguish it from any similar product or service available in this State; and

(6) The manner in which participation in the Program will facilitate a successful test of the product or service;

(b) A statement of the proposed plan for testing the product or service, including:

(1) An estimate of the dates or periods of time anticipated for entry into and exit from the relevant market in this State;

(2) Measures to protect consumers from financial loss or other harm caused by a failure of the test; and

(3) The plan to wind up and terminate the test;

(c) The full legal name, address, telephone number, electronic mail address and website address of the applicant and, if the applicant is not a natural person, each officer, director or other principal of the applicant;

(d) A description of any criminal conviction and any final administrative suspension, revocation or termination of a professional or occupational license of the applicant and any other person described in paragraph (c) if such a conviction or suspension, revocation or termination occurred in this State or another jurisdiction within the 5 years immediately preceding the date of the application;

(e) The consent of the applicant to the provisions for choice of law and provisions for the selection of a forum as prescribed by the Director; and

(f) Any other information deemed necessary by the Director.

4. The application must be submitted to the Director and be accompanied by a nonrefundable fee of not more than \$1,000. The Director shall account separately for the money received from fees collected pursuant to this section and use that money solely to pay the expenses of administering the Program.

Sec. 13. 1. The Director may refuse to consider any application submitted pursuant to section 12 of this act if the application does not include the information required by section 12 of this act or any other information deemed necessary by the Director. The applicant shall provide, within the period directed by



1 *the Director, any additional information required in connection*
2 *with the application. If the required information is not provided,*
3 *the application may be denied by the Director as incomplete.*

4 2. Upon receipt of a completed application and payment of
5 the required fee, the Director shall identify and consult with each
6 applicable regulator having an interest in the subject of the
7 application. The consultation is advisory only and not binding on
8 the Director. The consultation may relate to any matter deemed by
9 the Director to be relevant to the application, including, without
10 limitation:

11 (a) Any license or other authorization previously issued by the
12 applicable regulator, or the corresponding regulator in another
13 jurisdiction, to the applicant or any other person described in
14 paragraph (c) of subsection 3 of section 12 of this act;

15 (b) Any criminal, civil, administrative or other proceeding
16 previously brought by or on behalf of the applicable regulator, or
17 the corresponding regulator in any other jurisdiction, against the
18 applicant or any other person described in paragraph (c) of
19 subsection 3 of section 12 of this act; and

20 (c) The ability of the applicant or any other person described
21 in paragraph (c) of subsection 3 of section 12 of this act to qualify
22 for a license or other authorization from the applicable regulator
23 upon the completion of testing.

24 3. Unless the Director and the applicant mutually agree to
25 extend this period, the Director shall approve or deny an
26 application within 90 days after the completed application is
27 received.

28 **Sec. 14.** 1. Except as otherwise provided in this subsection,
29 the Director may approve or deny any application or request
30 submitted pursuant to sections 2 to 31, inclusive, of this act. The
31 Director may not approve an application or request if provision of
32 the relevant financial product or service to consumers in this State
33 would exceed the applicable limitation provided by subsection 2 or
34 3 of section 16 of this act.

35 2. The Director shall give the applicant or participant written
36 notice of the approval or denial of the application or request
37 within 5 business days after the date of approval or denial.

38 3. The approval or denial of an application or request is final
39 and not subject to administrative or judicial review.

40 **Sec. 15.** 1. If the Director approves an application to
41 participate in the Program:

42 (a) The applicant shall be deemed a participant.

43 (b) The Director shall issue a registration number unique to
44 the approval.



(c) Except as otherwise required by the Director pursuant to subsection 2 or section 26.3 of this act, a product or service offered or provided within the scope of the Program is exempt from any provision of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

2. In addition to any other requirements or limitations of section 16 or 17 of this act that apply to a product or service, the Director may condition approval of an application upon compliance by the participant with one or more provisions of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto.

3. A notice of approval of an application given pursuant to section 14 of this act must be accompanied by a copy of the provisions of sections 2 to 31, inclusive, of this act and any applicable regulations of the Director then in effect, and set forth:

(a) The registration number applicable to the approval;

(b) The period of testing prescribed by section 25 of this act;

(c) The general limitations of section 16 of this act, any additional requirements or limitations applicable specifically to the product or service pursuant to section 17 of this act and any conditions imposed pursuant to subsection 2 or section 26.3 of this act; and

(d) Any additional information required by the Director to be disclosed to consumers pursuant to subsection 2 of section 20 of this act.

Sec. 16. Any financial product or service provided within the scope of the Program is subject to the following requirements and limitations:

1. Any consumer of the product or service must be a resident of this State on the date that the product or service is first provided to the consumer.

2. Except as otherwise provided in subsection 3, not more than 5,000 consumers may be provided a given product or service by a participant during the period of testing.

3. If the Director approves a request for relief by a participant pursuant to section 19 of this act, not more than 7,500 consumers may be provided a given product or service by the participant during the period of testing.

Sec. 17. 1. Except as otherwise provided in subsection 2, in addition to complying with any other applicable requirements and limitations, a participant who is testing a financial product or service within the scope of the Program for which a license is otherwise required pursuant to chapter 671 of NRS shall not receive for transmission or transmit during the period of testing:



(a) More than \$2,500 in any single transaction for a consumer.

(b) More than \$25,000 in any series of transactions for a consumer.

2. If the Director approves a request for relief by a participant pursuant to section 19 of this act, the participant shall not receive for transmission or transmit during the period of testing:

(a) More than \$15,000 in any single transaction for a consumer.

(b) More than \$50,000 in any series of transactions for a consumer.

Sec. 18. (Deleted by amendment.)

Sec. 19. 1. At any time during the period of testing a financial product or service, a participant may submit to the Director a written request for relief from the limitations of subsection 2 of section 16 of this act or subsection 1 of section 17 of this act, or both, as they otherwise apply to the participant.

2. In accordance with any regulations adopted pursuant to section 30 of this act, the Director may:

(a) Approve a request for relief if the Director determines that the participant has adequate capitalization and satisfactory procedures and processes in place for the oversight of its operations and the management of risk.

(b) Rescind or modify at any time his or her approval of a request for relief.

3. The approval, denial, rescission or modification of approval of a request for relief is final and not subject to administrative or judicial review.

Sec. 20. 1. Before providing any financial product or service to a consumer, a participant shall disclose to the consumer:

(a) The name and contact information of the participant;

(b) The registration number applicable to the product or service, as issued by the Director pursuant to section 15 of this act;

(c) The fact that the product or service is generally exempt from any provisions of chapter 645A, 645B, 645F or 645G of NRS, title 55 or 56 of NRS or any regulation adopted pursuant thereto, except as otherwise required by the Director pursuant to section 15 or 26.3 of this act;

(d) If applicable, the fact that the participant is not the holder of a license or other authorization in this State to provide any product or service outside the scope of the Program;

(e) The fact that the participant has been approved to provide the product or service pursuant to sections 2 to 31, inclusive, of



1 *this act, but that the product or service is not endorsed or*
2 *recommended by the Director or any governmental agency;*

3 *(f) The fact that the product or service is provided as part of a*
4 *test and may be discontinued at or before the end of the test, with*
5 *the date on which the test is expected to end; and*

6 *(g) The fact that the consumer may submit a complaint to the*
7 *Director relating to the product or service, with the telephone*
8 *number and Internet address of the Internet website maintained*
9 *by the Director pursuant to section 21 of this act.*

10 *2. The Director may condition approval of an application to*
11 *participate in the Program on, or require at any time thereafter,*
12 *the disclosure by a participant of information relating to a product*
13 *or service in addition to the disclosures required by subsection 1.*
14 *The Director shall give written notice to the participant of any*
15 *additional disclosures required pursuant to this subsection.*

16 *3. The disclosures required by subsections 1 and 2, as*
17 *applicable, must be clear and conspicuous and must be provided*
18 *in English and Spanish. If a product or service is provided*
19 *through an Internet website or mobile application, the consumer*
20 *must acknowledge receipt of the disclosures before the completion*
21 *of any transaction.*

22 *Sec. 21. The Director shall establish and maintain a toll-free*
23 *telephone number and Internet website through which a consumer*
24 *may submit a complaint relating to any financial product or*
25 *service provided by a participant.*

26 *Sec. 22. 1. The Director may establish by regulation*
27 *periodic reporting requirements for participants in the Program.*

28 *2. On request by the Director, a participant shall make any*
29 *requested record, information or data available for inspection and*
30 *copying by the Director.*

31 *3. Each participant shall retain, for not less than 2 years after*
32 *the end of the prescribed period of testing or for such longer*
33 *period as the Director requires by order or regulation, all records*
34 *and data produced in the ordinary course of business relating to a*
35 *financial product or service tested in the Program.*

36 *4. If a product or service fails before the end of the period of*
37 *testing, the participant shall:*

38 *(a) Give written notice of the failure to the Director.*

39 *(b) Include in the notice a description of any action taken by*
40 *the participant to protect consumers from financial loss or other*
41 *harm caused by the failure.*

42 *5. In addition to providing any other disclosure or notice of*
43 *the unauthorized acquisition of computerized data required by any*
44 *applicable statute or regulation, a participant shall promptly notify*
45 *the Director of any unauthorized acquisition of computerized data*



1 *constituting a breach of the security of the system data as that*
2 *term is defined in NRS 603A.020.*

3 **Sec. 23.** 1. *Any record or information in a record submitted*
4 *to or obtained by the Director or an applicable regulator pursuant*
5 *to sections 2 to 31, inclusive, of this act:*

6 *(a) Except as otherwise provided in this section, is confidential*
7 *and not a public book or record within the meaning of*
8 *NRS 239.010.*

9 *(b) May be disclosed by the Director or an applicable regulator*
10 *to:*

11 *(1) Any governmental agency or official; or*

12 *(2) A federal, state or county grand jury in response to a*
13 *lawful subpoena.*

14 2. *Any disclosure pursuant to subsection 1 of a complaint*
15 *relating to a financial product or service or the results of an*
16 *examination, inquiry or investigation relating to a participant or*
17 *product or service does not make the relevant record or*
18 *information in a record a public record within the meaning of*
19 *NRS 239.010, and a participant shall not disclose any such record*
20 *or information to the general public except in connection with any*
21 *disclosure required by law. A participant shall not disclose, use or*
22 *refer to any comments, conclusions or results of an examination,*
23 *inquiry or investigation in any communication to a consumer or*
24 *potential consumer.*

25 3. *The Director and any applicable regulator are immune*
26 *from civil liability for any damages sustained because of a*
27 *disclosure of any record or information in a record that is received*
28 *or obtained pursuant to sections 2 to 31, inclusive, of this act.*

29 4. *Nothing contained in this section shall be deemed to*
30 *preclude the disclosure of any record or information in a record*
31 *that is admissible in evidence in any civil or criminal proceeding*
32 *brought by a state or federal law enforcement agency to enforce or*
33 *prosecute a civil or criminal violation of any law.*

34 **Sec. 24.** *Any information, writing, signature, record or*
35 *disclosure required by the provisions of sections 2 to 31, inclusive,*
36 *of this act or any regulation adopted pursuant thereto, may:*

37 1. *Be obtained, recorded, provided or maintained by a*
38 *participant in electronic form.*

39 2. *With the approval of the Director, be substituted by a*
40 *participant with any substantially equivalent information, writing,*
41 *signature, record or disclosure.*

42 **Sec. 25.** *Unless a timely request for an extension of the*
43 *period of testing is made and approved pursuant to section 26 of*
44 *this act:*



1 1. The period of testing for a financial product or service
2 ends 2 years after the date of the notice given pursuant to section
3 14 of this act.

4 2. Except as otherwise provided in this subsection, the
5 participant shall, within 60 days after the end of the period of
6 testing, wind down the test and cease offering or providing the
7 product or service. If the product or service entails the
8 performance of any ongoing duty or function, such as
9 the servicing of a loan, the participant shall continue to perform
10 or contract with another person for the continued performance of
11 the duty or function.

12 **Sec. 26.** 1. A participant may request an extension of the
13 period of testing to apply for any license or other authorization
14 required for the financial product or service by any statute or
15 regulation of this State. A participant who desires such an
16 extension must submit a written request to the Director not less
17 than 30 days before the end of the period of testing.

18 2. The Director shall:

19 (a) Approve or deny the requested extension before the end of
20 the prescribed period of testing; and

21 (b) Give written notice of the approval or denial as provided in
22 section 14 of this act.

23 3. Only one extension of the period of testing may be granted
24 pursuant to this section. Any such extension must not exceed 1
25 year in duration.

26 4. A participant who obtains an extension shall report
27 periodically to the Director, in writing, on the status of the efforts
28 of the participant to obtain a license or other authorization. The
29 first such report must be submitted within 90 days after the date of
30 the notice described in subsection 2, and subsequent reports must
31 be submitted at intervals of not more than 90 days until the
32 application of the participant for a license or other authorization
33 is finally approved or finally denied by the applicable regulator.

34 **Sec. 26.3.** 1. If the Director has reasonable cause to believe
35 that a participant has engaged in, is engaging in or threatens to
36 engage in any act or omission that the Director determines is
37 inconsistent with the health, safety or welfare of consumers or the
38 public generally, the Director may:

39 (a) Proceed to adopt a regulation to address the issue pursuant
40 to section 30 of this act;

41 (b) Require the participant to comply with one or more
42 provisions of chapter 645A, 645B, 645F or 645G of NRS, title 55
43 or 56 of NRS or any regulation adopted pursuant thereto;

44 (c) Remove the participant from the Program or order the
45 participant to exit the Program; or



(d) Take any combination of those actions.

2. Any action taken by the Director pursuant to this section is final and not subject to judicial or administrative review.

Sec. 27. 1. If the Director has reasonable cause to believe that a participant has engaged in, is engaging in or threatens to engage in any act or omission in violation of any provision of sections 2 to 31, inclusive, of this act or any other applicable statute or regulation for which a civil or criminal penalty is prescribed, the Director may:

(a) Request that the Attorney General bring an action in any court of competent jurisdiction to enjoin the violation;

(b) Remove the participant from the Program or order the participant to exit the Program; or

(c) Take any combination of those actions.

2. A removal of or compelled exit of a participant from the Program is final and not subject to administrative or judicial review.

Sec. 28. 1. Nothing contained in sections 2 to 31, inclusive, of this act shall be deemed to prohibit a participant who holds a license or other authorization in another jurisdiction from acting in accordance with that license or authorization.

2. The Director may enter into an agreement with any governmental agency or official of any other jurisdiction to authorize:

(a) A participant to operate in such a jurisdiction; or

(b) A person who is authorized to operate in such a jurisdiction to be a participant.

Sec. 29. For the purposes of any federal statute or regulation requiring a participant to hold a license or other authorization from this State in connection with a financial product or service, a participant shall be deemed to hold such a license or other authorization.

Sec. 30. 1. The Director shall, in consultation with the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General and the applicable regulator, adopt regulations that establish protections for consumers of financial products or services provided through the Program.

2. The Director may adopt such other regulations as he or she deems necessary to carry out the provisions of sections 2 to 31, inclusive, of this act.

Sec. 31. 1. On or before March 1 of each year, the Director of the Department of Business and Industry shall prepare and submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, a report on the operation and status of the Program.



2. The report must include, for the immediately preceding calendar year:

(a) The number of applications submitted to participate in the Program, and the number of applications that were approved or denied;

(b) With respect to the applications that were denied, a description of the reasons for denial; and

(c) With respect to the applications that were approved:

(1) A description of each financial product or service provided by each participant in the Program;

(2) A statement of the number of participants providing each product or service; and

(3) An estimate of the number of consumers using each product or service.

3. The report may include any recommendations for legislation relating to the Program and any other information that the Director of the Department of Business and Industry deems relevant.

Sec. 32. (Deleted by amendment.)

Sec. 33. (Deleted by amendment.)

Sec. 34. (Deleted by amendment.)

Sec. 35. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119B.370, 119B.382, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.01249, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3925, 209.419, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 233.190, 237.300, 239.0105, 239.0113, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.490, 268.910,



1 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685,
2 281A.750, 281A.755, 281A.780, 284.4068, 286.110, 287.0438,
3 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503,
4 293.504, 293.558, 293.906, 293.908, 293.910, 293B.135, 293D.510,
5 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379,
6 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205,
7 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247,
8 360.255, 360.755, 361.044, 361.610, 365.138, 366.160, 368A.180,
9 370.257, 370.327, 372A.080, 378.290, 378.300, 379.008, 379.1495,
10 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259,
11 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.035,
12 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315,
13 392.317, 392.325, 392.327, 392.335, 392.850, 394.167, 394.1698,
14 394.447, 394.460, 394.465, 396.3295, 396.405, 396.525, 396.535,
15 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484,
16 412.153, 416.070, 422.2749, 422.305, 422A.342, 422A.350,
17 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175,
18 432B.280, 432B.290, 432B.407, 432B.430, 432B.560, 432B.5902,
19 433.534, 433A.360, 437.145, 439.840, 439B.420, 440.170,
20 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735,
21 445A.665, 445B.570, 449.209, 449.245, 449A.112, 450.140,
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23 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993,
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25 481.063, 481.091, 481.093, 482.170, 482.5536, 483.340, 483.363,
26 483.575, 483.659, 483.800, 484E.070, 485.316, 501.344, 503.452,
27 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964,
28 598.098, 598A.110, 599B.090, 603.070, 603A.210, 604A.710,
29 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341,
30 618.425, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327,
31 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047,
32 629.069, 630.133, 630.30665, 630.336, 630A.555, 631.368,
33 632.121, 632.125, 632.405, 633.283, 633.301, 633.524, 634.055,
34 634.214, 634A.185, 635.158, 636.107, 637.085, 637B.288, 638.087,
35 638.089, 639.2485, 639.570, 640.075, 640A.220, 640B.730,
36 640C.400, 640C.600, 640C.620, 640C.745, 640C.760, 640D.190,
37 640E.340, 641.090, 641.325, 641A.191, 641A.289, 641B.170,
38 641B.460, 641C.760, 641C.800, 642.524, 643.189, 644A.870,
39 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092,
40 645C.220, 645C.225, 645D.130, 645D.135, 645E.300, 645E.375,
41 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033,
42 648.197, 649.065, 649.067, 652.228, 654.110, 656.105, 661.115,
43 665.130, 665.133, 669.275, 669.285, 669A.310, 671.170, 673.450,
44 673.480, 675.380, 676A.340, 676A.370, 677.243, 679B.122,
45 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270,



1 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077,
2 686A.289, 686B.170, 686C.306, 687A.110, 687A.115, 687C.010,
3 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190,
4 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420,
5 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.320,
6 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 23*
7 *of this act*, sections 35, 38 and 41 of chapter 478, Statutes of
8 Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013
9 and unless otherwise declared by law to be confidential, all public
10 books and public records of a governmental entity must be open at
11 all times during office hours to inspection by any person, and may
12 be fully copied or an abstract or memorandum may be prepared
13 from those public books and public records. Any such copies,
14 abstracts or memoranda may be used to supply the general public
15 with copies, abstracts or memoranda of the records or may be used
16 in any other way to the advantage of the governmental entity or of
17 the general public. This section does not supersede or in any manner
18 affect the federal laws governing copyrights or enlarge, diminish or
19 affect in any other manner the rights of a person in any written book
20 or record which is copyrighted pursuant to federal law.

21 2. A governmental entity may not reject a book or record
22 which is copyrighted solely because it is copyrighted.

23 3. A governmental entity that has legal custody or control of a
24 public book or record shall not deny a request made pursuant to
25 subsection 1 to inspect or copy or receive a copy of a public book or
26 record on the basis that the requested public book or record contains
27 information that is confidential if the governmental entity can
28 redact, delete, conceal or separate the confidential information from
29 the information included in the public book or record that is not
30 otherwise confidential.

31 4. A person may request a copy of a public record in any
32 medium in which the public record is readily available. An officer,
33 employee or agent of a governmental entity who has legal custody
34 or control of a public record:

35 (a) Shall not refuse to provide a copy of that public record in a
36 readily available medium because the officer, employee or agent has
37 already prepared or would prefer to provide the copy in a different
38 medium.

39 (b) Except as otherwise provided in NRS 239.030, shall, upon
40 request, prepare the copy of the public record and shall not require
41 the person who has requested the copy to prepare the copy himself
42 or herself.

43 **Sec. 36.** (Deleted by amendment.)



Sec. 36.1. NRS 628.023 is hereby amended to read as follows:

628.023 "Practice of public accounting" means the offering to perform or the performance by a holder of a live permit or a natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315, for a client or potential client, of one or more services involving the use of skills in accounting or auditing, one or more services relating to advising or consulting with clients on matters relating to management or the preparation of tax returns and the furnishing of advice on matters relating to taxes.

Sec. 36.15. NRS 628.315 is hereby amended to read as follows:

628.315 1. Except as otherwise provided in this chapter, a natural person who holds a valid license *in good standing* as a certified public accountant *or a certified public accounting firm organized as a partnership, corporation or limited-liability company or a sole proprietorship which holds a valid registration in good standing* from any state other than this State shall be deemed to be a certified public accountant *or certified public accounting firm* for all purposes under the laws of this State other than this chapter.

2. A natural person *or certified public accounting firm* granted practice privileges pursuant to subsection 1 is not required to obtain ~~[-]~~, *as applicable:*

(a) A certificate pursuant to NRS 628.190; ~~[-]~~

(b) A permit pursuant to NRS 628.380 ~~[-]~~; *or*

(c) *A registration pursuant to NRS 628.335.*

3. A natural person granted practice privileges pursuant to subsection 1 and a partnership, corporation, limited-liability company or sole proprietorship that employs such a *natural person or a certified public accounting firm granted practice privileges pursuant to subsection 1* shall be deemed to consent, as a condition of the grant of such practice privileges:

(a) To the personal and subject matter jurisdiction, and disciplinary authority, of the Board.

(b) To comply with the provisions of this chapter and the regulations of the Board.

(c) That, in the event that the license from the state wherein the ~~[-]~~ principal place of business *of the natural person or certified public accounting firm* is located becomes invalid ~~[-]~~ *the* ~~[-]~~ *or not in good standing:*

(1) *The* natural person will cease offering or engaging in the practice of ~~[-]~~ *public* accounting in this State individually and on behalf of a partnership, corporation, limited-liability company or sole proprietorship ~~[-]~~; *or*



(2) *The certified public accounting firm will cease offering or engaging in the practice of public accounting in this State.*

(d) To the appointment of the state board that issued the license as the agent upon whom process may be served in any investigation, action or proceeding *by the Board* relating to ~~[the]~~ :

(1) *The* natural person or the partnership, corporation, limited-liability company or sole proprietorship ~~[by the Board.~~

~~—4. A natural person granted practice privileges pursuant to subsection 1 may perform attest services for a client having his or her home office in this State only if the partnership, corporation, limited liability company or sole proprietorship that employs the person is registered pursuant to NRS 628.335.] that employs the natural person; or~~

(2) *The certified public accounting firm.*

Sec. 36.2. NRS 628.335 is hereby amended to read as follows:

628.335 1. The Board shall grant or renew registration to a partnership, corporation ~~[.]~~ *or* limited-liability company ~~[or sole proprietorship]~~ that demonstrates its qualifications therefor in accordance with this chapter.

2. ~~[A]~~ *Except as otherwise provided in subsection 3, a* partnership, corporation or limited-liability company with an office in this State shall register with the Board if the partnership, corporation or limited-liability company:

(a) Performs attest services;

(b) Performs compilation services;

(c) Is engaged in the practice of public accounting; or

(d) Is styled and known as a certified public accountant or uses the abbreviation “C.P.A.”

3. ~~[A]~~ *An entity that is organized as a* partnership, corporation ~~[.]~~ *or* limited-liability company ~~[or sole proprietorship that does not have an office in this State:~~

~~—(a) Shall register with the Board if the partnership, corporation, limited liability company or sole proprietorship performs attest services for a client having his or her home office in this State.~~

~~—(b) May practice public accounting, may perform compilation services or other professional services within the practice of public accounting other than attest services for a client having his or her home office in this State, may be styled and known as a certified public accountant and may use the title or designation “certified public accountant” and the abbreviation “C.P.A.” without registering with the Board if:~~

~~—(1) Persons who are certified public accountants in any state constitute a simple majority, in terms of financial interests and voting rights of all partners, shareholders, officers, members and~~



~~principals thereof, of the ownership of the partnership, corporation, limited liability company or sole proprietorship;~~

~~—— (2) The partnership, corporation, limited liability company or sole proprietorship complies with the provisions of subsection 5 of NRS 628.325, if applicable;~~

~~—— (3) A natural person granted practice privileges pursuant to NRS 628.315 practices such public accounting or performs such compilation services or such other professional services within the practice of public accounting for the client having his or her home office in this State; and~~

~~—— (4) The partnership, corporation, limited liability company or sole proprietorship can lawfully perform such services in the state where the natural person described in subparagraph (3) has his or her principal place of business.~~

~~—— 4. A natural person granted practice privileges pursuant to NRS 628.315 must not be required to obtain a permit from this State pursuant to NRS 628.380 if the person performs such professional services for:~~

~~—— (a) Which a partnership, corporation, limited liability company or sole proprietorship is required to register pursuant to subsection 2 or 3; or~~

~~—— (b) A partnership, corporation or limited liability company registered pursuant to the provisions of NRS 628.325.] is not required to register with the Board pursuant to this section if:~~

(a) The entity is not styled or known as a firm of certified public accountants;

(b) The entity is not using the title or designation “certified public accountant” or the abbreviation “C.P.A.”; and

(c) The sole business of the entity is preparing tax returns or schedules in support of tax returns.

Sec. 36.25. NRS 628.340 is hereby amended to read as follows:

628.340 1. A partnership required to register with the Board pursuant to NRS 628.335 must meet the following requirements:

(a) At least one general partner must be ~~{either}~~ a certified public accountant of this State in good standing . ~~{or, if the partnership is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.}~~

(b) Each partner who is a resident of this State and is personally and regularly engaged within this State in the practice of public accounting as a member thereof, or whose principal place of business is in this State and who is engaged in the practice of ~~{professional}~~ **public** accounting in this State, must be a certified public accountant of this State in good standing.



(c) Each partner who is personally and regularly engaged in the practice of public accounting in this State must be ~~either~~ a certified public accountant of this State in good standing . ~~for, if the partnership is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

(d) Each partner who is regularly engaged in the practice of public accounting within the United States must be a certified public accountant in good standing of some state or jurisdiction of the United States.

(e) Each manager in charge of an office of the partnership in this State must be ~~either~~ a certified public accountant of this State in good standing . ~~for a natural person granted practice privileges pursuant to NRS 628.315.]~~

(f) A corporation or limited-liability company which is registered pursuant to NRS 628.343 or 628.345 may be a partner, and a partnership which is registered pursuant to this section may be a general partner, in a partnership engaged in the practice of public accounting.

2. Application for registration must be made upon the affidavit of ~~either~~ a general partner who holds a live permit to practice in this State as a certified public accountant . ~~for, if the partnership is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~ The Board shall determine whether the applicant is eligible for registration and may charge an initial fee and an annual renewal fee set by the Board by regulation. A partnership which is so registered may use the words "certified public accountants" or the abbreviation "C.P.A.'s" or "CPA's" in connection with its partnership name. Notice must be given to the Board within 1 month after the admission to or withdrawal of a partner from any partnership so registered.

Sec. 36.3. NRS 628.343 is hereby amended to read as follows:

628.343 1. A corporation required to register with the Board pursuant to NRS 628.335 shall comply with the following requirements:

(a) The sole purpose and business of the corporation must be to furnish to the public services not inconsistent with this chapter or the regulations of the Board, except that the corporation may invest its money in a manner not incompatible with the practice of public accounting.

(b) The principal officer of the corporation and any officer or director having authority over the practice of public accounting by the corporation must be a certified public accountant of ~~some state~~ *this State* in good standing.



(c) At least one shareholder of the corporation must be ~~either~~ a certified public accountant of this State in good standing . ~~for, if the corporation is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

(d) Each manager in charge of an office of the corporation in this State and each shareholder or director who is regularly and personally engaged within this State in the practice of public accounting must be ~~either~~ a certified public accountant of this State in good standing . ~~for, if the corporation is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

(e) In order to facilitate compliance with the provisions of this section relating to the ownership of stock, there must be a written agreement binding the shareholders or the corporation to purchase any shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder. The corporation may retire any amount of stock for this purpose, notwithstanding any impairment of its capital, so long as one share remains outstanding.

(f) The corporation shall comply with other regulations pertaining to corporations practicing public accounting in this State adopted by the Board.

2. Application for registration must be made upon the affidavit of ~~either~~ a shareholder who holds a live permit to practice in this State as a certified public accountant . ~~for, if the corporation is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~ The Board shall determine whether the applicant is eligible for registration and may charge an initial fee and an annual renewal fee set by the Board by regulation. A corporation which is so registered may use the words "certified public accountants" or the abbreviation "C.P.A.'s" or "CPA's" in connection with its corporate name. Notice must be given to the Board within 1 month after the admission to or withdrawal of a shareholder from any corporation so registered.

Sec. 36.35. NRS 628.345 is hereby amended to read as follows:

628.345 1. A limited-liability company required to register with the Board pursuant to NRS 628.335 shall comply with the following requirements:

(a) The sole purpose and business of the limited-liability company must be to furnish to the public services not inconsistent with this chapter or the regulations of the Board, except that the limited-liability company may invest its money in a manner not incompatible with the practice of public accounting.



(b) The manager, if any, of the limited-liability company must be a certified public accountant of ~~[some state]~~ *this State* in good standing.

(c) At least one member of the limited-liability company must be ~~[either]~~ a certified public accountant of this State in good standing. ~~[or, if the limited liability company is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

(d) Each person in charge of an office of the limited-liability company in this State and each member who is regularly and personally engaged within this State in the practice of public accounting must be ~~[either]~~ a certified public accountant of this State in good standing. ~~[or, if the limited liability company is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

(e) In order to facilitate compliance with the provisions of this section relating to the ownership of interests, there must be a written agreement binding the members or the limited-liability company to purchase any interest offered for sale by, or not under the ownership or effective control of, a qualified member.

(f) The limited-liability company shall comply with other regulations pertaining to limited-liability companies practicing public accounting in this State adopted by the Board.

2. Application for registration must be made upon the affidavit of the manager or a member of the limited-liability company. The affiant must hold a live permit to practice in this State as a certified public accountant. ~~[or, if the limited liability company is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, be a natural person granted practice privileges pursuant to NRS 628.315.]~~ The Board shall determine whether the applicant is eligible for registration and may charge an initial fee and an annual renewal fee set by the Board by regulation. A limited-liability company which is so registered may use the words "certified public accountants" or the abbreviation "C.P.A.'s" or "CPA's" in connection with its name. Notice must be given to the Board within 1 month after the admission to or withdrawal of a member from any limited-liability company so registered.

Sec. 36.4. NRS 628.390 is hereby amended to read as follows:

628.390 1. After giving notice and conducting a hearing, the Board may revoke, or may suspend for a period of not more than 5 years, any certificate issued under NRS 628.190 to 628.310, inclusive, any practice privileges granted pursuant to NRS 628.315 ~~[or 628.335]~~ or any registration of a partnership, corporation, limited-liability company, sole proprietorship or office, or may



1 revoke, suspend or refuse to renew any permit issued under NRS
2 628.380, or may publicly censure the holder of any permit,
3 certificate or registration or any natural person *or certified public*
4 *accounting firm* granted practice privileges pursuant to NRS
5 628.315, for any one or any combination of the following causes:

6 (a) Fraud or deceit in obtaining a certificate as a certified public
7 accountant or in obtaining a permit to practice public accounting
8 under this chapter.

9 (b) Dishonesty, fraud or gross negligence by a certified public
10 accountant or a natural person *or certified public accounting firm*
11 granted practice privileges pursuant to NRS 628.315.

12 (c) Violation of any of the provisions of this chapter.

13 (d) Violation of a regulation or rule of professional conduct
14 adopted by the Board under the authority granted by this chapter.

15 (e) Conviction of a felony relating to the practice of public
16 accounting under the laws of any state or jurisdiction.

17 (f) Conviction of any crime:

18 (1) An element of which is dishonesty or fraud; or

19 (2) Involving moral turpitude,

20 ➔ under the laws of any state or jurisdiction.

21 (g) Cancellation, revocation, suspension, placing on probation or
22 refusal to renew authority to practice as a certified public accountant
23 by any other state, for any cause . ~~[other than failure to pay an~~
24 ~~annual registration fee or to comply with requirements for~~
25 ~~continuing education or review of his or her practice in the other~~
26 ~~state.]~~

27 (h) Suspension, revocation or placing on probation of the right
28 to practice before any state or federal agency.

29 (i) Unless the person has been placed on inactive or retired
30 status, failure to obtain an annual permit under NRS 628.380,
31 within:

32 (1) Sixty days after the expiration date of the permit to
33 practice last obtained or renewed by the holder of a certificate; or

34 (2) Sixty days after the date upon which the holder of a
35 certificate was granted the certificate, if no permit was ever issued
36 to the person, unless the failure has been excused by the Board.

37 (j) Conduct discreditable to the profession of public accounting
38 or which reflects adversely upon the fitness of the person to engage
39 in the practice of public accounting.

40 (k) Making a false or misleading statement in support of an
41 application for a certificate or permit of another person.

42 (l) Committing an act in another state or jurisdiction which
43 would be subject to discipline in that state.

44 2. After giving notice and conducting a hearing, the Board may
45 deny an application to take the examination prescribed by the Board



pursuant to NRS 628.190, deny a person admission to such an examination, invalidate a grade received for such an examination or deny an application for a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, to a person who has:

(a) Made any false or fraudulent statement, or any misleading statement or omission relating to a material fact in an application:

(1) To take the examination prescribed by the Board pursuant to NRS 628.190; or

(2) For a certificate issued pursuant to NRS 628.190 to 628.310, inclusive;

(b) Cheated on an examination prescribed by the Board pursuant to NRS 628.190 or any such examination taken in another state or jurisdiction of the United States;

(c) Aided, abetted or conspired with any person in a violation of the provisions of paragraph (a) or (b); or

(d) Committed any combination of the acts set forth in paragraphs (a), (b) and (c).

3. In addition to other penalties prescribed by this section, the Board may impose a civil penalty of not more than \$5,000 for each violation of this section.

4. The Board shall not privately censure the holder of any permit or certificate or any natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315.

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

Sec. 36.45. NRS 628.430 is hereby amended to read as follows:

628.430 All statements, records, schedules, working papers and memoranda made by a certified public accountant or a natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315 incident to or in the course of professional service to clients by the accountant, except reports submitted by a certified public accountant or a natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315 to a client, are the property of the accountant, in the absence of an express agreement between the accountant and the client to the contrary. No such statement, record, schedule, working paper or memorandum may be sold, transferred or bequeathed, without the consent of the client or the client's personal representative or assignee, to anyone other than one or more surviving partners or new partners of the accountant or to his or her corporation.



Sec. 36.5. NRS 628.435 is hereby amended to read as follows:

628.435 1. A practitioner shall comply with all professional standards for accounting and documentation related to an attestation applicable to particular engagements.

2. Except as otherwise provided in this section and in all professional standards for accounting and documentation related to an attestation applicable to particular engagements, a practitioner shall retain all documentation related to an attestation for not less than 5 years after the date of the report containing the attestation.

3. Documentation related to an attestation that, at the end of the retention period set forth in subsections 1 and 2, is a part of or subject to a pending investigation of, or disciplinary action against, a practitioner must be retained and must not be destroyed until the practitioner has been notified in writing that the investigation or disciplinary action has been closed or concluded.

4. As used in this section:

(a) “Documentation related to an attestation” includes, without limitation:

(1) All documentation relating to consultations and resolutions of any differences of professional opinion regarding the exercise of professional judgment relating to an attestation; and

(2) Documentation of the findings or issues related to the attestation that, based on the judgment of the practitioner after an objective analysis of the facts and circumstances, is determined to be significant, regardless of whether the documentation includes information or data that is inconsistent with the final conclusions of the practitioner.

(b) “Practitioner” means:

(1) A holder of a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, or a permit issued pursuant to NRS 628.380;

(2) A partnership, corporation, limited-liability company or sole proprietorship registered pursuant to NRS 628.335; or

(3) A natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315.

Sec. 36.55. NRS 628.460 is hereby amended to read as follows:

628.460 A partnership, corporation, limited-liability company or sole proprietorship shall not assume or use the title or designation “certified public accountant” or the abbreviation “C.P.A.” or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate that the partnership, corporation, limited-liability company or sole proprietorship is composed of certified public accountants unless the partnership, corporation, limited-liability company or sole proprietorship is:



1 1. Registered as a partnership, corporation, limited-liability
2 company or sole proprietorship of certified public accountants and
3 all offices of the partnership, corporation, limited-liability company
4 or sole proprietorship in this State for the practice of public
5 accounting are maintained and registered as required under NRS
6 628.370; or

7 2. ~~[Performing services within the practice of public~~
8 ~~accounting]~~ *Granted practice privileges* pursuant to the provisions
9 of ~~[subsection 3 of]~~ NRS ~~[628.335.]~~ *628.315.*

10 **Sec. 36.6.** NRS 628.480 is hereby amended to read as follows:

11 628.480 A partnership, corporation, limited-liability company
12 or sole proprietorship shall not assume or use the title or designation
13 “public accountant” or any other title, designation, words, letters,
14 abbreviation, sign, card or device tending to indicate that the
15 partnership, corporation, limited-liability company or sole
16 proprietorship is composed of public accountants unless the
17 partnership, corporation, limited-liability company or sole
18 proprietorship is:

19 1. Registered as a partnership, corporation, limited-liability
20 company or sole proprietorship of certified public accountants and
21 all offices of the partnership, corporation, limited-liability company
22 or sole proprietorship in this State for the practice of public
23 accounting are maintained and registered as required under NRS
24 628.370; or

25 2. ~~[Performing services within the practice of public~~
26 ~~accounting]~~ *Granted practice privileges* pursuant to ~~[the provisions~~
27 ~~of subsection 3 of]~~ NRS ~~[628.335.]~~ *628.315.*

28 **Sec. 36.65.** NRS 628.490 is hereby amended to read as
29 follows:

30 628.490 1. Except as otherwise provided in subsection 2 and
31 NRS 628.450 to 628.480, inclusive, a person, partnership,
32 corporation, limited-liability company or sole proprietorship shall
33 not assume or use the title or designation “certified accountant,” or
34 any other title or designation likely to be confused with “certified
35 public accountant” or “public accountant,” or any of the
36 abbreviations “C.A.” or “P.A.” or similar abbreviations likely to be
37 confused with “C.P.A.”

38 2. ~~[Anyone]~~ *Any person, partnership, corporation, limited-*
39 *liability company or sole proprietorship* who:

40 (a) Holds a live permit pursuant to NRS 628.380 or is registered
41 as a partnership, corporation, limited-liability company or sole
42 proprietorship pursuant to the provisions of this chapter and all of
43 whose offices in this State for the practice of public accounting are
44 maintained and registered as required under NRS 628.370; *or*



(b) Has been granted practice privileges pursuant to NRS 628.315, ~~or~~

~~—(c) Is performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.]~~

↳ may hold himself or herself out to the public as an “accountant,” “auditor” or “certified public accountant.”

Sec. 36.7. NRS 628.510 is hereby amended to read as follows:

628.510 1. Except as otherwise provided in subsection 2, a person shall not sign or affix his or her name or the name of a partnership, corporation, limited-liability company or sole proprietorship, or any trade or assumed name used by the person or by the partnership, corporation, limited-liability company or sole proprietorship in business, with any wording indicating that he or she is an accountant or auditor, or that the partnership, corporation, limited-liability company or sole proprietorship is authorized to practice as an accountant or auditor or with any wording indicating that the person or the partnership, corporation, limited-liability company or sole proprietorship has expert knowledge in accounting or auditing, to any accounting or financial statement, or attest to any accounting or financial statement, unless:

(a) The person holds a live permit or the partnership, corporation, limited-liability company or sole proprietorship is registered pursuant to NRS 628.335 and all of the person’s offices in this State for the practice of public accounting are maintained and registered under NRS 628.370;

(b) The person is a natural person *or certified public accounting firm* granted practice privileges pursuant to NRS 628.315. ~~or~~

~~—(c) The partnership, corporation, limited-liability company or sole proprietorship is performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.]~~

2. The provisions of subsection 1 do not prohibit:

(a) Any officer, employee, partner, principal or member of any organization from affixing his or her signature to any statement or report in reference to the financial affairs of that organization with any wording designating the position, title or office which he or she holds in the organization.

(b) Any act of a public official or public employee in the performance of his or her duties as such.

(c) Any person who does not hold a live permit from preparing a financial statement or issuing a report if the statement or report, respectively, includes a disclosure that:

(1) The person who prepared the statement or issued the report does not hold a live permit issued by the Board; and



(2) The statement or report does not purport to have been prepared in compliance with the professional standards of accounting adopted by the Board.

Sec. 36.75. NRS 628.520 is hereby amended to read as follows:

628.520 A person shall not sign or affix the name of a partnership, corporation, limited-liability company or sole proprietorship with any wording indicating that it is a partnership, corporation, limited-liability company or sole proprietorship composed of accountants or auditors or persons having expert knowledge or special expertise in accounting or auditing, to any accounting or financial statement, or attest to any accounting or financial statement, unless the partnership, corporation, limited-liability company or sole proprietorship is:

1. Registered pursuant to NRS 628.335 and all of its offices in this State for the practice of public accounting are maintained and registered as required under NRS 628.370; or

2. ~~{Performing services within the practice of public accounting}~~ *Granted practice privileges* pursuant to ~~{the provisions of subsection 3 of}~~ NRS ~~{628.335.}~~ *628.315.*

Sec. 36.8. NRS 628.540 is hereby amended to read as follows:

628.540 1. Except as otherwise provided in subsection 2, a person, partnership, corporation, limited-liability company or sole proprietorship shall not engage in the practice of public accounting or hold himself, herself or itself out to the public as an "accountant" or "auditor" by use of either or both of those words in connection with any other language which implies that such a person or firm holds a certificate, permit or registration or has special competence as an accountant or auditor on any sign, card, letterhead or in any advertisement or directory unless:

(a) If a natural person, he or she holds a live permit or has been granted practice privileges pursuant to NRS 628.315; or

(b) If a partnership, corporation, limited-liability company or sole proprietorship, it is registered pursuant to NRS 628.335 or ~~{is performing services within the practice of public accounting}~~ *has been granted practice privileges* pursuant to ~~{the provisions of subsection 3 of}~~ NRS ~~{628.335.}~~ *628.315.*

2. The provisions of subsection 1 do not prohibit:

(a) Any officer, employee, partner, shareholder, principal or member of any organization from describing himself or herself by the position, title or office he or she holds in that organization.

(b) Any act of a public official or public employee in the performance of his or her duties as such.



Sec. 36.85. NRS 628.550 is hereby amended to read as follows:

628.550 1. A person shall not assume or use the title or designation "certified public accountant" or "public accountant" in conjunction with names indicating or implying that there is a partnership, corporation or limited-liability company, or in conjunction with the designation "and Company" or "and Co." or a similar designation, if there is in fact no bona fide partnership, corporation or limited-liability company:

(a) Registered under NRS 628.335; or

(b) ~~Performing services within the practice of public accounting~~ *Granted practice privileges* pursuant to ~~the provisions of subsection 3 of~~ NRS ~~628.335.~~ *628.315.*

2. A person, partnership, corporation or limited-liability company shall not engage in the practice of public accounting under any name which is misleading as to:

(a) The legal form of the firm;

(b) The persons who are partners, officers, shareholders or members; or

(c) Any other matter.

➤ The names of past partners, shareholders or members may be included in the name of a firm or its successors.

Sec. 37. Chapter 645A of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 38. NRS 645B.015 is hereby amended to read as follows:

645B.015 Except as otherwise provided in NRS 645B.016, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. §§ 5101 et seq., and any regulations adopted pursuant thereto and other applicable law, the provisions of this chapter do not apply to:

1. Any person doing business under the laws of this State, any other state or the United States relating to banks, savings banks, trust companies, savings and loan associations, industrial loan companies, credit unions, thrift companies or insurance companies, including, without limitation, a subsidiary or a holding company of such a bank, company, association or union.

2. A real estate investment trust, as defined in 26 U.S.C. § 856, unless the business conducted in this State is not subject to



1 supervision by the regulatory authority of the other jurisdiction, in
2 which case licensing pursuant to this chapter is required.

3 3. An employee benefit plan, as defined in 29 U.S.C. §
4 1002(3), if the loan is made directly from money in the plan by the
5 plan's trustee.

6 4. An attorney at law rendering services in the performance of
7 his or her duties as an attorney at law.

8 5. A real estate broker rendering services in the performance of
9 his or her duties as a real estate broker.

10 6. Any person doing any act under an order of any court.

11 7. Any one natural person, or married couple, who provides
12 money for investment in commercial loans secured by a lien on real
13 property, on his or her own account, unless such a person makes a
14 loan secured by a lien on real property using his or her own money
15 and assigns all or a part of his or her interest in the loan to another
16 person, other than his or her spouse or child, within 3 years after the
17 date on which the loan is made or the deed of trust is recorded,
18 whichever occurs later.

19 8. A natural person who only offers or negotiates terms of a
20 residential mortgage loan:

21 (a) With or on behalf of an immediate family member of the
22 person;

23 (b) Secured by a dwelling that served as the person's residence;
24 or

25 (c) If:

26 (1) The residential mortgage loan is for a manufactured
27 home, as defined in NRS 118B.015;

28 (2) The residential mortgage loan is financed by the seller;
29 and

30 (3) The seller has not engaged in more than five such loans
31 in this State during the immediately preceding 12 consecutive
32 months.

33 9. Agencies of the United States and of this State and its
34 political subdivisions, including the Public Employees' Retirement
35 System.

36 10. A seller of real property who offers credit secured by a
37 mortgage of the property sold.

38 11. A nonprofit agency or organization:

39 (a) Which provides self-help housing for a borrower who has
40 provided part of the labor to construct the dwelling securing the
41 borrower's loan;

42 (b) Which does not charge or collect origination fees in
43 connection with the origination of residential mortgage loans;

44 (c) Which only makes residential mortgage loans at an interest
45 rate of 0 percent per annum;



(d) Whose volunteers, if any, do not receive compensation for their services in the construction of a dwelling;

(e) Which does not profit from the sale of a dwelling to a borrower; and

(f) Which maintains tax-exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, 26 U.S.C. § 501(c)(3).

12. A housing counseling agency approved by the United States Department of Housing and Urban Development.

13. Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 39. Chapter 645F of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 40. Chapter 645G of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 41. Chapter 657 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this title do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 42. Chapter 673 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.



Sec. 42.5. NRS 675.020 is hereby amended to read as follows:
675.020 As used in this chapter, unless the context otherwise requires:

1. "Amount of cash advance" means the amount of cash or its equivalent actually received by a borrower or paid out at his or her direction or on his or her behalf.

2. "Amount of loan obligation" means the amount of cash advance plus the aggregate of charges added thereto pursuant to authority of this chapter.

3. "Commissioner" means the Commissioner of Financial Institutions.

4. "Community" means a contiguous area of the same economic unit or metropolitan area as determined by the Commissioner, and may include all or part of a city or several towns or cities.

5. *"Internet lender" means a person who makes loans exclusively through the Internet.*

6. "License" means a license, issued under the authority of this chapter, to make loans in accordance with the provisions of this chapter, at a single place of business.

~~6.7~~ 7. "Licensee" means a person to whom one or more licenses have been issued.

Sec. 43. NRS 675.040 is hereby amended to read as follows:

675.040 This chapter does not apply to:

1. Except as otherwise provided in NRS 675.035, a person doing business under the authority of any law of this State or of the United States relating to banks, national banking associations, savings banks, trust companies, savings and loan associations, credit unions, mortgage companies, thrift companies, pawnbrokers or insurance companies.

2. A real estate investment trust, as defined in 26 U.S.C. § 856.

3. An employee benefit plan, as defined in 29 U.S.C. § 1002(3), if the loan is made directly from money in the plan by the plan's trustee.

4. An attorney at law rendering services in the performance of his or her duties as an attorney at law if the loan is secured by real property.

5. A real estate broker rendering services in the performance of his or her duties as a real estate broker if the loan is secured by real property.

6. Except as otherwise provided in this subsection, any firm or corporation:

(a) Whose principal purpose or activity is lending money on real property which is secured by a mortgage;



(b) Approved by the Federal National Mortgage Association as a seller or servicer; and

(c) Approved by the Department of Housing and Urban Development and the Department of Veterans Affairs.

7. A person who provides money for investment in loans secured by a lien on real property, on his or her own account.

8. A seller of real property who offers credit secured by a mortgage of the property sold.

9. A person holding a nonrestricted state gaming license issued pursuant to the provisions of chapter 463 of NRS.

10. A person licensed to do business pursuant to chapter 604A of NRS with regard to those services regulated pursuant to chapter 604A of NRS.

11. A person who exclusively extends credit to any person who is not a resident of this State for any business, commercial or agricultural purpose that is located outside of this State.

12. Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 43.3. NRS 675.090 is hereby amended to read as follows:

675.090 1. Application for a license must be in writing, under oath, and in the form prescribed by the Commissioner.

2. The application must:

(a) Provide the address of the office or other place of business for which the application is submitted.

(b) Contain such further relevant information as the Commissioner may require, including the names and addresses of the partners, officers, directors or trustees, and of such of the principal owners or members as will provide the basis for the investigations and findings contemplated by NRS 675.110 and 675.120.

3. A person may apply for a license for an office or other place of business located outside this State from which the applicant will conduct business in this State if ~~[the applicant]~~ :

(a) The applicant is an Internet lender; or

(b) The applicant or a subsidiary or affiliate of the applicant has a license issued pursuant to this chapter for an office or other place of business located in this State . ~~[and if the applicant submits]~~

4. A person who wishes to apply for a license pursuant to subsection 3 must submit with the application for a license a statement signed by the applicant which states that the applicant agrees to:



(a) Make available at a location within this State the books, accounts, papers, records and files of the office or place of business located outside this State to the Commissioner or a representative of the Commissioner; or

(b) Pay the reasonable expenses for travel, meals and lodging of the Commissioner or a representative of the Commissioner incurred during any investigation or examination made at the office or place of business located outside this State.

➤ The person must be allowed to choose between paragraph (a) or (b) in complying with the provisions of this subsection.

~~[4-]~~ 5. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 43.7. NRS 675.230 is hereby amended to read as follows:

675.230 1. Except as otherwise provided in ~~[subsection]~~ *subsections 2 [2] and 3*, a licensee may not conduct the business of making loans under this chapter within any office, suite, room or place of business in which any other business is solicited or engaged in, except an insurance agency or notary public, or in association or conjunction with any other business, unless authority to do so is given by the Commissioner.

2. A licensee may conduct the business of making loans pursuant to this chapter in the same office or place of business as a mortgage company if:

(a) The licensee and the mortgage company:

- (1) Operate as separate legal entities;
- (2) Maintain separate accounts, books and records;
- (3) Are subsidiaries of the same parent corporation; and
- (4) Maintain separate licenses; and

(b) The mortgage company is licensed by this state pursuant to chapter 645B of NRS and does not receive money to acquire or repay loans or maintain trust accounts as provided by NRS 645B.175.

3. A licensee who is an Internet lender may conduct the business of making loans pursuant to this chapter within any office, suite, room or place of business in which any other business is solicited or engaged in.



Sec. 44. NRS 676A.270 is hereby amended to read as follows:
676A.270 1. This chapter does not apply to an agreement with an individual who the provider has no reason to know resides in this State at the time of the agreement.

2. This chapter does not apply to a provider to the extent that the provider:

(a) Provides or agrees to provide debt-management, educational or counseling services to an individual who the provider has no reason to know resides in this State at the time the provider agrees to provide the services; or

(b) Receives no compensation for debt-management services from or on behalf of the individuals to whom it provides the services or from their creditors.

3. This chapter does not apply to the following persons or their employees when the person or the employee is engaged in the regular course of the person's business or profession:

(a) A judicial officer, a person acting under an order of a court or an administrative agency or an assignee for the benefit of creditors;

(b) A bank;

(c) An affiliate, as defined in paragraph (a) of subsection 2 of NRS 676A.030, of a bank if the affiliate is regulated by a federal or state banking regulatory authority; or

(d) A title insurer, escrow company or other person that provides bill-paying services if the provision of debt-management services is incidental to the bill-paying services.

4. Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, this chapter does not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 45. Chapter 677 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 46. Chapter 678 of NRS is hereby amended by adding thereto a new section to read as follows:

Except as otherwise required by the Director of the Department of Business and Industry pursuant to section 15 or 26.3 of this act, the provisions of this chapter do not apply to a participant in the



Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act.

Sec. 46.3. Notwithstanding the provisions of section 14 of this act:

1. The Director of the Department of Business and Industry shall not approve more than three applications to participate in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act, submitted pursuant to section 12 of this act during each of the following periods:

(a) The period beginning on January 1, 2020, and ending on June 30, 2020; and

(b) The period beginning on July 1, 2020, and ending on December 31, 2020.

2. The Director of the Department of Business and Industry shall not approve more than five applications to participate in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act, submitted pursuant to section 12 of this act during each of the following periods:

(a) The period beginning on January 1, 2021, and ending on June 30, 2021;

(b) The period beginning on July 1, 2021, and ending on December 31, 2021;

(c) The period beginning on January 1, 2022, and ending on June 30, 2022; and

(d) The period beginning on July 1, 2022, and ending on December 31, 2022.

Sec. 47. The provisions of subsection 1 of NRS 218D.380 do not apply to any provision of this act which adds or revises a requirement to submit a report to the Legislature.

Sec. 47.5. NRS 628.017 is hereby repealed.

Sec. 48. This act becomes effective:

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

2. On January 1, 2020, for all other purposes.



TEXT OF REPEALED SECTION

628.017 “Home office” defined. “Home office” means the location specified by a client of an accountant as the address of an entity for which the accountant practices public accounting, performs an attestation or compilation or performs other professional services within the practice of public accounting.

③⑩

