

SENATE BILL NO. 45—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing business.
(BDR 7-471)

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

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

AN ACT relating to business; revising the circumstances under which a person is not required to obtain a state business license; revising provisions governing the location at which certain documents of certain limited-liability partnerships, limited partnerships, foreign business trusts, and professional entities and associations are required to be maintained; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires a person to obtain a state business license and pay a fee before conducting business in this State. Under existing law, a person is deemed not to conduct a business in this State and, thus, is exempt from the requirement to obtain a state business license if the business for which the person is responsible: (1) is not a business entity organized under the law of this State; (2) does not have an office or base of operations in this State; (3) does not have a registered agent in this State; (4) 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 other emergency; and (5) only pays wages or other remuneration to natural persons in this State in connection with that activity. (NRS 76.100) **Section 1** of this bill clarifies that this exemption from the requirements to obtain a state business license applies only to a person who satisfies all of the criteria for the exemption. **Section 9** of this bill makes a conforming change to the existing law which authorizes the State to contract with a person who qualifies for this exemption even if the person does not hold a state business license.

Existing law sets forth the circumstances under which a person is deemed to conduct a business in this State and, thus, is required to obtain a state business license. (NRS 76.100) **Section 1** clarifies that a person is not required to obtain a



state business license if the Secretary of State determines that the person is not conducting a business in this State.

Existing law requires certain types of business entities, including, without limitation, corporations, nonprofit corporations and limited-liability companies, to maintain certain documents at the principal place of business in this State or with a custodian of records whose name and street address are available at the office of the registered agent of the business entity in this State. (NRS 78.105, 78.152, 80.113, 82.181, 86.241, 86.54615) Under existing law, certain limited-liability partnerships, limited partnerships, foreign business trusts, and professional entities and associations are required to maintain certain documents at the office of the registered agent of the business entity or at the principal place of the business entity in this State. (NRS 87.515, 87.5413, 87A.200, 87A.640, 88A.7345, 89.045, 89.251) **Sections 2-8** of this bill remove the authority of these limited-liability partnerships, limited partnerships, foreign business trusts, and professional entities and associations to maintain the required documents at the office of the registered agent of the business entity and, instead, require these limited-liability partnerships, limited partnerships, foreign business trusts, and professional entities and associations to maintain the required documents at the principal place of business of the entity or with the custodian of records of the business entity.

Section 10 of this bill provides that this bill becomes effective upon passage and approval.

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

Section 1. 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 239.330 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 business organized pursuant to:

(I) Chapter 82 or 84 of NRS; or

(II) 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);

(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~~:

(1) *The* business for which the person is responsible:

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

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

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

~~(4)~~ (IV) 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~~ (2);

(2) *The business for which the person is responsible satisfies all of the criteria set forth in subparagraph (1) and 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* ~~;~~ *or*

(3) *The Secretary of State determines that the person is not conducting a business in this State.*

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

Sec. 2. NRS 87.515 is hereby amended to read as follows:

87.515 1. A registered limited-liability partnership shall maintain at its ~~registered office or~~ principal place of business in this State ~~;~~ *or with its custodian of records:*

(a) A current list of its managing partners; or

(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the registered limited-liability partnership shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a registered limited-liability partnership to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.



4. If a registered limited-liability partnership fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the certificate of registration.

5. The Secretary of State shall not reinstate or revive a certificate of registration that was revoked or suspended pursuant to subsection 4 unless:

(a) The registered limited-liability partnership complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the certificate of registration.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 3. NRS 87.5413 is hereby amended to read as follows:

87.5413 1. A foreign registered limited-liability partnership shall maintain at its ~~[registered office or]~~ principal place of business in this State ~~[:]~~ *or with its custodian of records:*

(a) A current list of its managing partners; or

(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the foreign registered limited-liability partnership shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a foreign registered limited-liability partnership to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a foreign registered limited-liability partnership fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the right of the foreign registered limited-liability partnership to transact business in this State.

5. The Secretary of State shall not reinstate or revive the right of a foreign registered limited-liability partnership to transact



business in this State that was revoked or suspended pursuant to subsection 4 unless:

(a) The registered limited-liability partnership complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the right of the foreign registered limited-liability partnership to transact business in this State.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 4. NRS 87A.200 is hereby amended to read as follows:

87A.200 1. A limited partnership shall maintain at its ~~registered office or~~ principal office in this State *or with its custodian of records* a statement indicating where the list required pursuant to subsection 1 of NRS 87A.195 is maintained.

2. Upon the request of the Secretary of State, the limited partnership shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the custodian of the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a limited partnership to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1 of NRS 87A.195; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a limited partnership fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the right of the limited partnership to transact any business in this State.

5. The Secretary of State shall not reinstate or revive the right of a limited partnership to transact any business in this State that was revoked or suspended pursuant to subsection 4 unless:

(a) The limited partnership complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the right of the limited partnership to transact business in this State.



6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 5. NRS 87A.640 is hereby amended to read as follows:

87A.640 1. A registered limited-liability limited partnership shall maintain at its ~~registered office or~~ principal place of business in this State ~~[:]~~ *or with its custodian of records:*

(a) A current list of each general partner; or

(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the registered limited-liability limited partnership shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a registered limited-liability limited partnership to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a registered limited-liability limited partnership fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the certificate of registration.

5. The Secretary of State shall not reinstate or revive a certificate of registration that was revoked or suspended pursuant to subsection 4 unless:

(a) The registered limited-liability limited partnership complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the certificate of registration.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 6. NRS 88A.7345 is hereby amended to read as follows:

88A.7345 1. A foreign business trust shall maintain at its ~~registered office;~~ *principal place of business in this State or with its custodian of records:*

(a) A current list of its beneficial owners; or



(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the foreign business trust shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a foreign business trust to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a foreign business trust fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the right of the foreign business trust to transact business in this State.

5. The Secretary of State shall not reinstate or revive the right of a foreign business trust to transact business in this State that was revoked or suspended pursuant to subsection 4 unless:

(a) The foreign business trust complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the right of the foreign business trust to transact business in this State.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 7. NRS 89.045 is hereby amended to read as follows:

89.045 1. A professional entity shall maintain at its ~~registered office or~~ principal place of business in this State ~~:~~ *or with its custodian of records:*

(a) A current list of its owners of record; or

(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the professional entity shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.



(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a professional entity to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or

(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a professional entity fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the corporate charter.

5. The Secretary of State shall not reinstate or revive a charter that was revoked or suspended pursuant to subsection 4 unless:

(a) The professional entity complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the corporate charter.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 8. NRS 89.251 is hereby amended to read as follows:

89.251 1. A professional association shall maintain at its ~~registered office or~~ principal place of business in this State ~~or~~ *with its custodian of records:*

(a) A current list of each member; or

(b) A statement indicating where such a list is maintained.

2. Upon the request of the Secretary of State, the professional association shall:

(a) Provide the Secretary of State with the name and contact information of the custodian of the list described in subsection 1. The information required pursuant to this paragraph shall be kept confidential by the Secretary of State.

(b) Provide written notice to the Secretary of State within 10 days after any change in the information contained in the list described in subsection 1.

3. Upon the request of any law enforcement agency in the course of a criminal investigation, the Secretary of State may require a professional association to:

(a) Submit to the Secretary of State, within 3 business days, a copy of the list required to be maintained pursuant to subsection 1; or



(b) Answer any interrogatory submitted by the Secretary of State that will assist in the criminal investigation.

4. If a professional association fails to comply with any requirement pursuant to subsection 3, the Secretary of State may take any action necessary, including, without limitation, the suspension or revocation of the articles of association.

5. The Secretary of State shall not reinstate or revive articles of association that were revoked or suspended pursuant to subsection 4 unless:

(a) The professional association complies with the requirements of subsection 3; or

(b) The law enforcement agency conducting the investigation advises the Secretary of State to reinstate or revive the articles of association.

6. The Secretary of State may adopt regulations to administer the provisions of this section.

Sec. 9. NRS 353.007 is hereby amended to read as follows:

353.007 1. Except as otherwise provided in subsection 2, a person shall not enter into a contract with the State of Nevada unless the person is a holder of a state business license issued pursuant to chapter 76 of NRS.

2. A person who is not a holder of a state business license may enter into a contract with the State of Nevada if ~~[the business for which]~~, *pursuant to subparagraph (2) of paragraph (b) of subsection 7 of NRS 76.100*, the person is ~~responsible:~~

~~—(a) Is not organized pursuant to title 7 of NRS;~~

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

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

~~—(d) 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 paragraph (e); and~~

~~—(e) 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.]~~ *not required to obtain a state business license.*

3. The provisions of this section apply to all offices, departments, divisions, boards, commissions, institutions, agencies or any other units of:

(a) The Legislative, Executive and Judicial Departments of the State Government;

(b) The Nevada System of Higher Education; and

(c) The Public Employees' Retirement System.



1 **Sec. 10.** This act becomes effective upon passage and
2 approval.

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