

SENATE BILL NO. 355—SENATORS LANGE AND HAMMOND

MARCH 22, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to financial services.  
(BDR 55-59)

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 financial services; prohibiting the Commissioner of Financial Institutions from requiring an applicant for a license to establish a new depository institution to identify the physical address of the proposed depository institution in the application for the license; authorizing certain persons employed by financial institutions to temporarily delay certain financial transactions involving the suspected exploitation of an older person or vulnerable person; exempting certain persons from liability for certain actions relating to the suspected exploitation of an older person or vulnerable person; authorizing the employee of a person licensed to engage in the business of lending in this State to perform certain work from a remote location under certain circumstances; setting forth various requirements concerning such work performed at a remote location; requiring a person licensed to engage in the business of lending in this State to provide notice to the Attorney General and certain other persons of certain breaches of security involving personal information; revising the circumstances under which a person is not required to accept an acknowledged power of attorney; and providing other matters properly relating thereto.



**Legislative Counsel's Digest:**

Existing law provides for the licensure and regulation of various types of financial institutions, including, without limitation, depository institutions, by the Commissioner of Financial Institutions. (Title 55 of NRS) Existing law requires the Commissioner, during the process for the organization and licensing of a banking corporation or company, to examine all the facts connected with the formation of the proposed banking corporation or company, including its location. (NRS 659.045) Similarly, existing law requires a person who desires to organize a savings bank to submit to the Commissioner an application that contains, among other things, the location of the proposed main office of the savings bank. (NRS 673.080) **Section 1** of this bill prohibits the Commissioner from requiring an applicant for a license to establish a new depository institution to identify in the application for the license the physical address where the main office of the proposed depository institution will be located. **Section 1** authorizes the Commissioner to require such an applicant to: (1) identify the location of the proposed main office, described in general terms, in the application; and (2) provide the physical address of the proposed main office before the depository institution commences business. **Section 2** of this bill makes a conforming change to indicate the proper placement of **section 1** in the Nevada Revised Statutes.

Existing law prohibits a person from engaging in the business of lending in this State without having first obtained a license from the Commissioner for each office or other place of business in which the person engages in the business of lending. (NRS 675.060) **Section 5** of this bill authorizes an employee of a licensee to engage in the business of lending in this State at a remote location if authorized by the licensee. **Section 5** requires a licensee: (1) to enter into a written agreement with an employee before authorizing the employee to work at a remote location; and (2) to ensure that the employee and the remote location meet certain requirements. **Section 6** of this bill requires a licensee who authorizes an employee to engage in the business of lending in this State at a remote location to develop and adhere to a written data security policy meeting certain requirements. **Section 7** of this bill sets forth certain prohibited acts with respect to an employee who engages in the business of lending in this State at a remote location. **Section 8** of this bill requires a licensee who authorizes any employee to engage in the business of lending in this State at a remote location to conduct an annual review and evaluation of the operations of the licensee which are conducted by employees working at remote locations. **Section 11** of this bill defines words and terms for the purposes of this bill. **Sections 12-16** of this bill make certain changes to provisions governing the licensing of persons engaged in the business of lending to account for the provisions of **sections 5-8** which authorize an employee of a licensee to engage in the business of lending in this State at a remote location.

Existing law requires a data collector that owns, licenses or maintains computerized data which includes personal information to, after discovery or notification of a breach of security in which personal information maintained by the data collector was, or is reasonably believed to have been, acquired by an unauthorized person, notify each affected resident of this State and certain other persons. (NRS 603A.220) **Section 17** of this bill exempts a person licensed to engage in the business of lending in this State from those requirements. **Section 9** of this bill instead sets forth similar provisions which require a licensee, after discovery or notification of a breach of security in which personal information maintained by the licensee was, or is reasonably believed to have been, acquired by an unauthorized person, to notify each affected resident if the breach is reasonably likely to subject the resident to a risk of harm and certain other conditions are met. **Section 9** sets forth certain requirements for such a notification. **Section 10** of this bill requires a licensee who is required to notify more than 500 residents of this



State pursuant to **section 9** as the result of a single breach also to notify the Attorney General.

Existing law requires certain financial institutions to designate a person to whom an officer or employee of the financial institution must report known or suspected exploitation of an older person or vulnerable person. (NRS 657.290) **Section 3** of this bill authorizes a designated reporter to delay a requested disbursement or transaction involving an older person or vulnerable person if the designated reporter knows or has reasonable cause to believe that the older person or vulnerable person has been exploited. **Section 3** sets forth procedures and requirements for the imposition of such a delay. Additionally, **section 3** provides that a financial institution and its officers, employees and designated reporters are immune from criminal, civil and administrative liability for: (1) making a report concerning the known or suspected exploitation of an older person or vulnerable person; (2) delaying or not delaying a requested disbursement or transaction involving such exploitation pursuant to **section 3**; and (3) taking certain other actions relating to known or suspected exploitation of an older person or vulnerable person.

Under existing law, a person who refuses to accept an acknowledged power of attorney, with certain exceptions, is subject to: (1) a court order mandating acceptance of the power of attorney; and (2) liability for reasonable attorney's fees and costs incurred in any action or proceeding that confirms the validity of the power of attorney or mandates acceptance of the power of attorney. (NRS 162A.370) **Section 16.5** of this bill provides that a designated reporter who delays a requested disbursement or transaction pursuant to **section 3** or certain other persons who make a report concerning the exploitation of an older person or vulnerable person are not required to accept an acknowledged power of attorney under certain circumstances.

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

**Section 1.** Chapter 657 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Commissioner shall not require an applicant for a license to establish a new depository institution to identify in the application for the license the physical address where the main office of the proposed depository institution will be located.*

*2. The Commissioner may require an applicant for a license to establish a new depository institution to:*

*(a) Identify in the application for the license the location, described in general terms, where the main office of the proposed depository institution will be located; and*

*(b) Provide to the Commissioner the physical address of the main office of the proposed depository institution before the depository institution commences business.*

**Sec. 2.** NRS 657.150 is hereby amended to read as follows:

657.150 As used in NRS 657.150 to 657.290, inclusive, *and section 1 of this act*, unless the context otherwise requires, the



words and terms defined in NRS 657.160 and 657.170 have the meanings ascribed to them in those sections.

**Sec. 3.** NRS 657.290 is hereby amended to read as follows:

657.290 1. Each financial institution shall designate a person or persons to whom an officer or employee of the financial institution must report known or suspected exploitation of an older person or vulnerable person.

2. If an officer or employee reports known or suspected exploitation of an older person or vulnerable person to a designated reporter and, based on such a report or based on his or her own observations or knowledge, the designated reporter knows or has reasonable cause to believe that an older person or vulnerable person has been exploited, the designated reporter : ~~{shall:}~~

(a) Except as otherwise provided in subsection 3, *shall* report the known or suspected exploitation of the older person or vulnerable person to:

(1) The local office of the Aging and Disability Services Division of the Department of Health and Human Services;

(2) A police department or sheriff's office;

(3) The county's office for protective services, if one exists in the county where the suspected action occurred; or

(4) A toll-free telephone service designated by the Aging and Disability Services Division of the Department of Health and Human Services; ~~{and}~~

(b) ~~{Make}~~ *Shall make* such a report as soon as reasonably practicable ~~{:}~~; *and*

(c) *May temporarily delay a requested disbursement from, or a requested transaction involving, an account of an older person or vulnerable person or an account to which an older person or vulnerable person is a beneficiary if the designated reporter:*

(1) *Not later than 2 business days after the date on which the requested disbursement or transaction is delayed:*

(I) *Provides written notification of the delay and the reason for the delay to all parties authorized to transact business on the account, except a party who is reasonably believed to have engaged in the suspected exploitation; and*

(II) *Notifies the local office of the Aging and Disability Services Division of the Department of Health and Human Services and a local law enforcement agency of the delay; and*

(2) *Notifies the local office of the Aging and Disability Services Division of the Department of Health and Human Services and the appropriate local law enforcement agency of any new information that is relevant to the delay within a reasonable time after becoming aware of the information.*



3. If the designated reporter knows or has reasonable cause to believe that the exploitation of the older person or vulnerable person involves an act or omission of the Aging and Disability Services Division, another division of the Department of Health and Human Services or a law enforcement agency, the designated reporter shall make the report to an agency other than the one alleged to have committed the act or omission.

4. In accordance with the provisions of subsection 3 of NRS 239A.070, in making a report pursuant to this section, a designated reporter may:

(a) Disclose any facts or information that form the basis of the determination that the designated reporter knows or has reasonable cause to believe that an older person or vulnerable person has been exploited, including, without limitation, the identity of any person believed to be involved in the exploitation of the older person or vulnerable person; and

(b) Provide any financial records or other documentation relating to the exploitation of the older person or vulnerable person.

5. ~~[An officer, employee]~~ *A financial institution and any of its officers, employees and [the] designated [reporter] reporters are [entitled to the immunity] immune from civil, criminal and administrative liability [set forth in NRS 200.5096 for making a report in good faith.] arising from:*

*(a) Making a report in good faith pursuant to this section;*

*(b) Delaying or not delaying a requested disbursement or transaction involving the known or suspected exploitation of an older person or vulnerable person pursuant to this section; or*

*(c) Taking any reasonable action which is:*

*(1) Performed in furtherance of a duty or authorization created by subsection 2, 3 or 4; and*

*(2) Based upon a reasonable belief that an older person or vulnerable person has been exploited.*

6. *Except as otherwise provided in this subsection and subsections 7 and 8, a delay in a requested disbursement or transaction authorized by paragraph (c) of subsection 2 expires 15 business days after the date on which the requested disbursement or transaction was delayed. If the local office of the Aging and Disability Services Division of the Department of Health and Human Services or a local law enforcement agency requests in writing that the designated reporter extend the delay, the delay expires upon the earlier of:*

*(a) Twenty-five business days after the date on which the requested disbursement or transaction was delayed; or*

*(b) Upon the written request of the local office of the Aging and Disability Services Division of the Department of Health and*



1 *Human Services or the local law enforcement agency that*  
2 *requested the extension of the delay or upon the order of a court*  
3 *of competent jurisdiction.*

4 7. *A delay in a requested disbursement or transaction*  
5 *authorized by paragraph (c) of subsection 2 may expire before the*  
6 *period set forth in subsection 6 and the designated reporter may*  
7 *proceed with the requested disbursement or transaction if the*  
8 *designated reporter reasonably believes that the requested*  
9 *disbursement or transaction will not result in exploitation of the*  
10 *older person or vulnerable person.*

11 8. *A court of competent jurisdiction may issue an order*  
12 *extending a delay of a requested disbursement or transaction*  
13 *authorized by paragraph (c) of subsection 2 based on the petition*  
14 *of the local office of the Aging and Disability Services Division of*  
15 *the Department of Health and Human Services, a local law*  
16 *enforcement agency or any other interested party.*

17 9. *When determining whether an older person or vulnerable*  
18 *person has been exploited, a designated reporter may consider any*  
19 *of the following circumstances, if applicable and without*  
20 *limitation:*

21 (a) *A requested disbursement from, or a requested transaction*  
22 *involving, an account of an older person or vulnerable person or*  
23 *an account to which an older person or vulnerable person is a*  
24 *beneficiary that the older person or vulnerable person cannot*  
25 *explain;*

26 (b) *A request to close a certificate of deposit of an older person*  
27 *or vulnerable person that is made:*

28 (1) *Before the date of maturity of the certificate of deposit;*  
29 *and*

30 (2) *With apparent disregard for any penalty associated with*  
31 *closing the certificate of deposit before the date of maturity of the*  
32 *certificate of deposit;*

33 (c) *A check written by an older person or vulnerable person*  
34 *under suspicious circumstances;*

35 (d) *An uncharacteristic attempt by an older person or*  
36 *vulnerable person to initiate a wire transfer of a significant sum of*  
37 *money;*

38 (e) *A suspicious signature on documentation relating to an*  
39 *account of an older person or vulnerable person;*

40 (f) *A suspicious alteration to a:*

41 (1) *Trust to which an older person or vulnerable person is a*  
42 *beneficiary; or*

43 (2) *Will or trust for which an older person or vulnerable*  
44 *person is a testator or trustee;*



(g) *A suspicious alteration in a power of attorney relating to an older person or a vulnerable person; and*

(h) *A person attempting to initiate a financial transaction on behalf of an older person or vulnerable person without proper documentation.*

**Sec. 4.** Chapter 675 of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 10, inclusive, of this act.

**Sec. 5. 1.** *An employee of a licensee may engage in the business of lending in this State at a remote location in accordance with sections 5 to 8, inclusive, of this act if authorized by the licensee.*

**2.** *Before authorizing an employee to engage in the business of lending in this State at a remote location, a licensee must enter into a written agreement with the employee that is signed by the employee in which the employee:*

*(a) Agrees to:*

*(1) Maintain the confidentiality of data concerning borrowers and potential borrowers while working at the remote location;*

*(2) Maintain all data of the licensee electronically while working at the remote location;*

*(3) Read and comply with the data security policy adopted by the licensee pursuant to section 6 of this act; and*

*(4) Keep any equipment provided to the employee by the licensee for use at the remote location safe and secure in the manner prescribed by the licensee;*

*(b) Agrees not to:*

*(1) Print or otherwise reproduce physical documents containing any data of the licensee at the remote location;*

*(2) Except as authorized by section 7 of this act, disclose to a borrower or potential borrower that the employee is working at a remote location;*

*(3) Convey to a borrower or potential borrower that the remote location at which the licensee is working is the place of business of the licensee; and*

*(4) Conduct any interactions with a borrower or potential borrower in person at the remote location.*

**3.** *A licensee shall not authorize an employee to engage in the business of lending in this State at a remote location unless the remote location:*

*(a) Is located in the United States;*

*(b) Is secure and sufficiently closed off from the public to enable the employee to maintain the confidentiality of borrowers and potential borrowers; and*



(c) Contains all the equipment necessary for the employee to perform his or her work for the licensee, which must:

(1) Be sufficiently connected to the systems used by the licensee, including, without limitation, telephone systems, computerized data systems and other computer systems, to allow the licensee to monitor and oversee the work of the employee as though the employee were performing the same work at the place of business of the licensee; and

(2) Require the employee to enter unique credentials, passwords or similar information to access the computerized data system of the licensee and other computer systems used by the licensee to conduct business.

4. A licensee shall ensure that each employee of the licensee who engages in the business of lending at a remote location:

(a) Before beginning work at a remote location, completes a training program at the place of business of the licensee that includes, without limitation, instruction on privacy, confidentiality, monitoring and security in the context of remote work and compliance with applicable laws and the policies of the licensee;

(b) Receives the same level of communication, management, oversight and monitoring he or she would receive while working at the place of business of the licensee; and

(c) Complies with the provisions of this chapter and the regulations adopted pursuant thereto.

5. As used in this section, “place of business” means an office or place of business for which a license has been issued pursuant to this chapter.

**Sec. 6.** A licensee who authorizes any employee to engage in the business of lending in this State at a remote location shall develop and adhere to a written data security policy. The data security policy must set forth procedures and requirements to ensure that:

1. Data of the licensee that is stored at or accessible from a remote location is protected against unauthorized or accidental disclosure, access, use, modification, duplication or destruction;

2. An employee working at a remote location is able to access the computerized data system of the licensee and other computer systems of the licensee only through the use of a virtual private network or other system that:

(a) Requires the use of a username and password, frequent password changes, multifactor authentication, a system that automatically prevents a person from accessing an account upon the failure of the person to enter the appropriate credentials after a set number of attempts or any combination thereof; and





(b) Uses data encryption;

3. Any updates or repairs necessary to keep data and equipment secure are installed or implemented immediately;

4. All data of the licensee is stored in a safe and secure manner and the computerized data system of the licensee is capable of being modified to accommodate the storage of data necessary for an employee working at a remote location to perform his or her work;

5. Each remote location at which an employee works contains computers or other electronic devices which make use of reasonable security measures, such as antivirus software and firewalls;

6. The computerized data system of the licensee and other computer systems of the licensee may only be accessed through computers or other electronic devices which:

(a) Are issued by the licensee; and

(b) May only be used by an employee while performing activities approved by the licensee;

7. An internal or external risk assessment is performed annually on the protection of the data of the licensee from reasonably foreseeable internal or external risks;

8. After the performance of a risk assessment pursuant to subsection 7, the data security policy is updated to correct any deficiencies identified in the risk assessment;

9. The licensee has procedures in place which establish the actions that must be taken upon the:

(a) Discovery of a breach of the security of the computerized data system, including, without limitation, any actions that must be taken concerning the disclosure of the breach as required by section 9 of this act or other applicable law; and

(b) Occurrence of an emergency, including, without limitation, a fire or natural disaster, that has the potential to impact the storage of or access to data of the licensee;

10. The data of the licensee is disposed of in a timely and secure manner as required by applicable law and contractual requirements; and

11. The licensee is able, without the licensee or an agent of the licensee being physically present at a remote location, to disconnect any computer or device provided to an employee at a remote location from the computerized data system of the licensee or other computer systems of the licensee and disable and erase any data from such a computer or device upon termination of the employee's employment with the licensee.

**Sec. 7. 1.** An employee who engages in the business of lending in this State at a remote location shall not print or store



1 *physical records containing any data of the licensee at the remote*  
2 *location.*

3 2. Except as otherwise provided in subsection 3, an employee  
4 who engages in the business of lending in this State at a remote  
5 location or the licensee who employs such an employee shall not  
6 represent in any manner to a borrower, potential borrower or any  
7 other person that the employee is working at a remote location,  
8 including, without limitation, by:

9 (a) Advertising in any form the address of the remote location  
10 where the employee works or a personal telephone number or  
11 facsimile number associated with the remote location;

12 (b) Meeting a borrower or potential borrower at, or inviting a  
13 borrower or potential borrower to, the remote location; or

14 (c) Directly or indirectly suggesting or holding out in any  
15 manner that the address of the remote location is the address of  
16 the place of business of the licensee, including, without limitation,  
17 by receiving mail intended for the licensee at the remote location  
18 or storing physical records of the licensee at the remote location.

19 3. An employee may respond to an inquiry concerning his or  
20 her location by stating that he or she is working remotely or  
21 working at a remote location.

22 4. As used in this section, "place of business" has the  
23 meaning ascribed to it in section 5 of this act.

24 **Sec. 8.** A licensee who authorizes any employee to engage in  
25 the business of lending in this State at a remote location shall, at  
26 least once each year, conduct a review and evaluation of the  
27 operations of the licensee which are conducted by employees  
28 working at remote locations to determine whether such operations  
29 comply with the provisions of sections 5 to 8, inclusive, of this act.  
30 The Commissioner may require a licensee to conduct such a  
31 review and evaluation at such other times as the Commissioner  
32 deems necessary.

33 **Sec. 9. 1.** If a licensee that owns or licenses computerized  
34 data that includes personal information discovers or is notified of  
35 a breach of the security of the computerized data system of the  
36 licensee, the licensee shall notify any resident of this State whose  
37 personal information was, or is reasonably believed to have been,  
38 acquired by an unauthorized person if:

39 (a) The breach is reasonably likely to subject the resident to a  
40 risk of harm; and

41 (b) Either:

42 (1) The personal information acquired or believed to have  
43 been acquired was not encrypted; or

44 (2) The breach resulted in, or is reasonably believed to have  
45 resulted in, an unauthorized person acquiring an encryption key



1 or other means of converting encrypted personal information  
2 acquired by the person into an unencrypted or otherwise  
3 intelligible form.

4 2. Except as otherwise provided in this subsection and  
5 subsection 4, the notification required by subsection 1 must be  
6 made in the most expedient time possible and not more than 30  
7 days after the date on which the licensee discovered or was  
8 notified of the breach. A licensee may delay providing the  
9 notification beyond the period required by this subsection, as  
10 authorized by subsection 4 or if the delay is caused by any  
11 measures necessary to determine the scope of the breach and  
12 restore the reasonable integrity of the computerized data system of  
13 the licensee.

14 3. Except as otherwise provided in subsection 4, a licensee  
15 that maintains data which includes personal information that the  
16 licensee does not own shall notify the owner of the information of  
17 any breach of the security of the computerized data system of the  
18 licensee immediately following discovery if the personal  
19 information was, or is reasonably believed to have been, acquired  
20 by an unauthorized person.

21 4. A notification required by this section may be delayed if a  
22 law enforcement agency determines that the notification will  
23 impede a criminal investigation. The notification must be made  
24 after the law enforcement agency determines that the notification  
25 will not impede a criminal investigation.

26 5. Except as otherwise provided in subsections 6 and 8, a  
27 notification required by this section may be provided by any of the  
28 following methods:

29 (a) Written notification.

30 (b) Electronic notification, if the notification provided is  
31 consistent with the provisions of the Electronic Signatures in  
32 Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq.

33 (c) Substitute notification, if the licensee demonstrates that the  
34 cost of providing notification would exceed \$250,000, the affected  
35 class of subject persons to be notified exceeds 500,000 or the  
36 licensee does not have sufficient contact information. Substitute  
37 notification must consist of all the following:

38 (1) Notification by electronic mail when the licensee has  
39 electronic mail addresses for the subject persons.

40 (2) Conspicuous posting of the notification on the Internet  
41 website of the licensee, if the licensee maintains an Internet  
42 website.

43 (3) Notification to major statewide media.

44 6. If a breach involves a username, password or other login  
45 credentials to an electronic mail account furnished by the licensee,



1 *the licensee shall not provide the notification required pursuant to*  
2 *this section to that electronic mail account.*

3 7. *A notification provided by a licensee pursuant to this*  
4 *section must be written in plain language and contain, at a*  
5 *minimum, the following information:*

6 (a) *The name and contact information of the licensee;*

7 (b) *A list of the types of personal information that were or are*  
8 *reasonably believed to have been subject to the breach;*

9 (c) *The period of time, if known, in which personal*  
10 *information was potentially subject to acquisition by unauthorized*  
11 *persons as a result of the breach, including, without limitation, the*  
12 *date of the breach and the date upon which the licensee discovered*  
13 *or was notified of the breach;*

14 (d) *The toll-free telephone numbers and addresses of the*  
15 *major credit reporting agencies; and*

16 (e) *If the breach involved personal information that includes a*  
17 *username, password or other login credentials to an online*  
18 *account, an advisement to the person whose personal information*  
19 *was, or is reasonably believed to have been, acquired by an*  
20 *unauthorized person to promptly change any relevant passwords*  
21 *or security questions or answers associated with the online*  
22 *account and to take any other appropriate steps to protect the*  
23 *online account and any other online account for which the person*  
24 *uses any of the same information to access.*

25 8. *A licensee who maintains his or her own notification*  
26 *procedures as part of a data security policy for the treatment of*  
27 *personal information that are otherwise consistent with the timing*  
28 *requirements of this section shall be deemed to be in compliance*  
29 *with the notification requirements of this section if the licensee*  
30 *notifies subject persons in accordance with its policies and*  
31 *procedures in the event of a breach of the security of the*  
32 *computerized data system of the licensee.*

33 **Sec. 10.** 1. *A licensee who is required to notify more than*  
34 *500 residents of this State pursuant to section 9 of this act as the*  
35 *result of a single breach shall notify the Attorney General of the*  
36 *breach not more than 30 days after the date on which the licensee*  
37 *discovered or was notified of the breach. The notification must*  
38 *include, without limitation:*

39 (a) *The number of residents of this State affected or estimated*  
40 *to be affected by the breach.*

41 (b) *A list of the types of personal information that were or are*  
42 *reasonably believed to have been subject to the breach.*

43 (c) *The period of time, if known, in which personal*  
44 *information was potentially subject to acquisition by unauthorized*  
45 *persons as a result of the breach, including, without limitation, the*



*date of the breach and the date upon which the licensee discovered or was notified of the breach.*

*(d) A summary of the actions taken to contain the breach.*

*(e) A sample copy of the notification the licensee provided to persons affected or reasonably believed to be affected by the breach which excludes any personally identifiable information.*

*2. If any of the information described in subsection 1 is unavailable to a licensee at the time the licensee submits the notification to the Attorney General, the licensee shall promptly provide the information to the Attorney General after the information becomes available to the licensee.*

**Sec. 11.** 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. *"Breach of the security of the computerized data system" or "breach" means the unauthorized acquisition of computerized data from the computerized data system of the licensee that compromises the security, confidentiality or integrity of personal information maintained by the licensee. The term does not include the good faith acquisition of personal information by an employee or agent of a licensee for a legitimate purpose of the licensee, so long as the personal information is not used for a purpose unrelated to the licensee or subject to further authorized disclosure.*

4. *"Business of lending in this State" means that a person:*

*(a) Solicits loans in this State or makes loans to persons in this State, unless these are isolated, incidental or occasional transactions; or*

*(b) Is located in this State and solicits loans outside of this State or makes loans to persons located outside of this State, unless these are isolated, incidental or occasional transactions.*

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

~~[4.]~~ 6. "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.



~~15.1~~ 7. *“Computerized data system” means a system of software, hardware or firmware, including, without limitation, a system of web-based applications, that:*

(a) *Is owned, leased or licensed by a licensee;*

(b) *Is located at the place of business of the licensee or hosted remotely; and*

(c) *Stores or provides access to personal information, financial information or other data related to borrowers or potential borrowers.*

8. “Consumer credit” has the meaning ascribed to it in NRS 604A.036.

~~16.1~~ 9. “Covered service member” has the meaning ascribed to it in NRS 604A.038.

~~17.1~~ 10. “Dependent” has the meaning ascribed to it in NRS 604A.057.

~~18.1~~ 11. “Internet business lender” means a person who makes business loans exclusively through the Internet.

~~19.1~~ 12. “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.

~~20.1~~ 13. “Licensee” means a person to whom one or more licenses have been issued.

~~21.1~~ 14. “Nationwide Multistate Licensing System and Registry” or “Registry” has the meaning ascribed to it in NRS 604A.083.

15. *“Personal information” has the meaning ascribed to it in NRS 603A.040.*

16. *“Remote location” means a location other than an office or place of business for which a license has been issued pursuant to this chapter and at which the employee of a licensee engages in the business of lending in this State pursuant to sections 5 to 8, inclusive, of this act.*

**Sec. 12.** NRS 675.060 is hereby amended to read as follows:

675.060 ~~11.1~~ No person may engage in the business of lending in this State without first having obtained a license from the Commissioner pursuant to this chapter for each office or other place of business at which the person engages in such business, except that ~~11.1~~:

1. *If* a person intends to engage in the business of lending in this State as a deferred deposit loan service, high-interest loan service or title loan service, as those terms are defined in chapter 604A of NRS, the person must obtain a license from the Commissioner pursuant to chapter 604A of NRS before the person may engage in any such business.



2. ~~[For the purpose of this section, a person engages in the business of lending in this State if he or she:~~

~~—(a) Solicits loans in this State or makes loans to persons in this State, unless these are isolated, incidental or occasional transactions; or~~

~~—(b) Is located in this State and solicits loans outside of this State or makes loans to persons located outside of this State, unless these are isolated, incidental or occasional transactions.]~~ *An employee of a licensee may engage in the business of lending in this State at a remote location in accordance with sections 5 to 8, inclusive, of this act.*

**Sec. 13.** NRS 675.120 is hereby amended to read as follows:

675.120 If the Commissioner finds:

1. That the financial responsibility, experience, character and general fitness of the applicant are such as to command the confidence of the public and to warrant belief that the business will be operated lawfully, honestly, fairly and efficiently, within the purposes of this chapter; and

2. That the applicant, unless he or she will function solely as a loan broker, has available for the operation of the business at the specified location *identified in the application* liquid assets of at least \$50,000,

↳ he or she shall thereupon enter an order granting the application, and file his or her findings of fact together with the transcript of any hearing held under this chapter, and forthwith issue and deliver a license to the applicant.

**Sec. 14.** NRS 675.130 is hereby amended to read as follows:

675.130 Each license shall:

1. State the address at which the business is to be conducted ~~[.]~~, *not including any remote location*; and

2. State fully the name of the licensee, and if the licensee is a copartnership or association, the names of its members, and if a corporation, the date and place of its incorporation.

**Sec. 15.** NRS 675.210 is hereby amended to read as follows:

675.210 Not more than one place of business may be maintained under the same license. The Commissioner may issue additional licenses to the same licensee for other business locations upon compliance with all the provisions of this chapter governing issuance of a single license. Nothing herein requires a license for ~~[any]~~:

1. *Any* place of business devoted to accounting, recordkeeping or administrative purposes only ~~[.]~~; *or*

2. *A remote location.*





**Sec. 16.** NRS 675.240 is hereby amended to read as follows:

675.240 No licensee shall conduct the business of making loans provided for by this chapter under any name or at any place other than that stated in the license. Nothing herein shall prevent ~~the~~:

1. *The* making of loans by mail nor prohibit accommodations to individual borrowers when necessitated by hours of employment, sickness or other emergency situations ~~;~~; *or*

2. *A licensee from authorizing an employee to engage in the business of lending in this State at a remote location in accordance with sections 5 to 8, inclusive, of this act.*

**Sec. 16.5.** NRS 162A.370 is hereby amended to read as follows:

162A.370 1. Except as otherwise provided in subsection 2:

(a) A person shall either accept an acknowledged power of attorney, or request a certification, a translation or an opinion of counsel pursuant to NRS 162A.360, not later than 10 business days after presentation of the power of attorney for acceptance;

(b) If a person requests a certification, a translation or an opinion of counsel pursuant to NRS 162A.360, the person shall accept the power of attorney not later than 5 business days after receipt of the certification, translation or opinion of counsel; and

(c) A person may not require an additional or different form of power of attorney for authority granted in the power of attorney presented.

2. A person is not required to accept an acknowledged power of attorney if:

(a) The person is not otherwise required to engage in a transaction with the principal in the same circumstances;

(b) Engaging in a transaction with the agent or the principal in the same circumstances would be inconsistent with federal law;

(c) The person has actual knowledge of the termination of the agent's authority or of the power of attorney before exercise of the power;

(d) A request for a certification, a translation or an opinion of counsel pursuant to NRS 162A.360 is refused;

(e) The person in good faith believes that the power is not valid or that the agent does not have the authority to perform the act requested, whether or not a certification, a translation or an opinion of counsel has been requested or provided pursuant to NRS 162A.360; ~~for~~

(f) The person makes, or has actual knowledge that another person has made, a report pursuant to NRS 200.5093 stating a good faith belief that the principal may be subject to abuse, neglect,





exploitation, isolation or abandonment by the agent or a person acting for or with the agent ~~§~~; or

(g) *The person:*

(1) *Makes, or has actual knowledge that another person has made, a report pursuant to NRS 657.290 of the known or suspected exploitation by the agent, or a person acting for or with the agent, of the principal who is an older person or vulnerable person; or*

(2) *Is a designated reporter of a financial institution who, pursuant to NRS 657.290, delays a requested disbursement or transaction involving a principal who is an older person or vulnerable person whom the designated reporter knows or has reasonable cause to believe is being exploited.*

3. A person that refuses in violation of this section to accept an acknowledged power of attorney is subject to:

(a) A court order mandating acceptance of the power of attorney; and

(b) Liability for reasonable attorney's fees and costs incurred in any action or proceeding that confirms the validity of the power of attorney or mandates acceptance of the power of attorney.

4. *As used in this section:*

(a) *"Designated reporter" has the meaning ascribed to it in NRS 657.230.*

(b) *"Older person" has the meaning ascribed to it in NRS 657.250.*

(c) *"Vulnerable person" has the meaning ascribed to it in NRS 657.270.*

**Sec. 17.** NRS 603A.220 is hereby amended to read as follows:

603A.220 1. ~~Any~~ *Except as otherwise provided in subsection 7, a* data collector that owns or licenses computerized data which includes personal information shall disclose any breach of the security of the system data following discovery or notification of the breach to any resident of this State whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person. The disclosure must be made in the most expedient time possible and without unreasonable delay, consistent with the legitimate needs of law enforcement, as provided in subsection 3, or any measures necessary to determine the scope of the breach and restore the reasonable integrity of the system data.

2. Any data collector that maintains computerized data which includes personal information that the data collector does not own shall notify the owner or licensee of the information of any breach of the security of the system data immediately following discovery if the personal information was, or is reasonably believed to have been, acquired by an unauthorized person.



3. The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede a criminal investigation. The notification required by this section must be made after the law enforcement agency determines that the notification will not compromise the investigation.

4. For purposes of this section, except as otherwise provided in subsection 5, the notification required by this section may be provided by one of the following methods:

(a) Written notification.

(b) Electronic notification, if the notification provided is consistent with the provisions of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001 et seq.

(c) Substitute notification, if the data collector demonstrates that the cost of providing notification would exceed \$250,000, the affected class of subject persons to be notified exceeds 500,000 or the data collector does not have sufficient contact information. Substitute notification must consist of all the following:

(1) Notification by electronic mail when the data collector has electronic mail addresses for the subject persons.

(2) Conspicuous posting of the notification on the Internet website of the data collector, if the data collector maintains an Internet website.

(3) Notification to major statewide media.

5. A data collector which:

(a) Maintains its own notification policies and procedures as part of an information security policy for the treatment of personal information that is otherwise consistent with the timing requirements of this section shall be deemed to be in compliance with the notification requirements of this section if the data collector notifies subject persons in accordance with its policies and procedures in the event of a breach of the security of the system data.

(b) Is subject to and complies with the privacy and security provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., shall be deemed to be in compliance with the notification requirements of this section.

6. If a data collector determines that notification is required to be given pursuant to the provisions of this section to more than 1,000 persons at any one time, the data collector shall also notify, without unreasonable delay, any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as that term is defined in 15 U.S.C. § 1681a(p), of the time the notification is distributed and the content of the notification.

***7. The provisions of this section do not apply to a person licensed pursuant to chapter 675 of NRS.***



- 1     **Sec. 18.** 1. This section becomes effective upon passage and  
2 approval.  
3     2. Sections 1 to 17, inclusive, of this act become effective:  
4     (a) Upon passage and approval for the purpose of adopting any  
5 regulations and performing any other preparatory administrative  
6 tasks that are necessary to carry out the provisions of this act; and  
7     (b) On October 1, 2023, for all other purposes.

