Amendment No. 442

Assembly Amendment to Assembly Bill No. 250 (BDR 52-599)

Proposed by: Assembly Committee on Commerce and Labor

Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION		Initial and Date	SENATE ACTION		Initial and Date
Adopted ☐	Lost ☐		Adopted ☐	Lost ☐	
Concurred In ☐	Not ☐		Concurred In ☐	Not ☐	
Receded ☐	Not ☐		Receded ☐	Not ☐	

EXPLANATION: Matter in (1) ***blue bold italics*** is new language in the original bill; (2) variations of **green bold underlining** is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

KRO/BAW Date: 4/17/2025

A.B. No. 250—Revises provisions relating to certain debt. (BDR 52-599)

ASSEMBLY BILL NO. 250–ASSEMBLYMEMBERS GOULDING; ANDERSON, FLANAGAN, HUNT, LA RUE HATCH AND NGUYEN

FEBRUARY 18, 2025

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to certain debt. (BDR 52-599)

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 debt; [prescribing certain requirements relating to the collection of a debt that is the result of economic abuse or coerced debt; requiring a reporting agency that receives certain notice that a debt or any portion of a debt is the result of economic abuse or] **establishing** coerced debt [to take] **as an affirmative defense in** certain **civil** actions [;] **to collect a consumer debt;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law governs the collection of debt by certain persons in this State, including, without limitation, collection agencies and private debt collectors. (*See, e.g.*, chapters 353C and 649 of NRS) [Existing law also governs: (1) the reporting of certain information concerning consumer credit; and (2) the recording of any such information in the consumer report of a consumer. (Chapter 598C of NRS) In general, sections 1 and 2 of this bill prescribe certain requirements relating to the: (1) collection of a debt that is the result of economic abuse or coerced debt; and (2) inclusion of certain information concerning any such debt on the consumer report of a consumer. Sections 1 and 2 define the term "economic abuse" for the purpose of these requirements to mean any act taken by a person to: (1) obtain control, through coercion, deception, manipulation, undue influence, threats of harm, force or fraud, over another person's money, assets or property; (2) restrain, sabotage or unreasonably control the ability of another person to acquire, use or maintain economic resources to which the person is entitled; (3) exploit the relationship between the person and another person for financial gain; or (4) exert undue influence over another person's financial decisions. Sections 1 and 2 also define] **Section 1 of this bill establishes that in any civil action to collect a consumer debt, a coerced debt may be used as an affirmative defense. Section 1 also: (1) sets forth the requirements for establishing a prima facie affirmative defense of coerced debt; and (2) defines** "coerced debt" [for the purpose of these requirements] to mean a **consumer** debt or any part thereof which is the proximate result of a person having been a victim of [identity theft,] domestic violence, **human trafficking,** abuse, coercion, fraud, duress, threats, intimidation, manipulation or other unlawful conduct intended to induce the person to incur debt against his or her own will.

[Specifically, section 1 requires a creditor to cease any collection efforts related to a debt and provide certain notice concerning the debt to certain reporting agencies if a debtor: (1) asserts that all or any portion of the debt is the result of economic abuse or coerced debt; and (2) provides certain notice and documentation to the creditor concerning the debt. Section 1

~~also authorizes a creditor to seek a court order declaring that a debt or any portion thereof is not the result of economic abuse or coerced debt and prescribes certain requirements relating to any such order. Finally, section 1 provides that a creditor who violates section 1 is liable in a civil action for the violation.~~

~~Section 2 requires a reporting agency that receives certain notice that a debt or any portion of a debt is the result of economic abuse or coerced debt to: (1) conduct an investigation concerning the debt; and (2) remove from its files any reference to the debt or any portion of the debt determined by the reporting agency to be the result of economic abuse or coerced debt under certain circumstances.]~~

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 a new section to read as follows:

1. ~~*[Except as otherwise provided in subsections 4 and 5, if a debtor asserts that all or any portion of a debt is the result of economic abuse or coerced debt and provides notice and adequate documentation to a creditor, the creditor:*~~

~~*(a) Shall:*~~

~~*(1) Immediately cease any collection efforts related to the debt, including, without limitation, any effort to collect the debt by:*~~

~~*(I) Garnishing the wages, bank account or personal property of the debtor; or*~~

~~*(II) Bringing an action to collect the debt;*~~

~~*(2) Dismiss any action to collect the debt; and*~~

~~*(3) Return any payment made by the debtor on the debt, including, without limitation, any payment executed through a writ of garnishment; and*~~

~~*(b) Shall not assign or transfer any claim or account associated with the debt.*~~

~~*2. In addition to the requirements prescribed by subsection 1 and except as otherwise provided in subsection 4, if a debtor asserts that all or any part of a debt is the result of economic abuse or coerced debt and provides notice and adequate documentation to a creditor, the creditor shall:*~~

~~*(a) Using the contact information provided by the debtor pursuant to subparagraph (4) of paragraph (b) of subsection 3, notify the debtor or person designated by the debtor to receive information concerning the debt, that:*~~

~~*(1) The creditor is ceasing any collection efforts related to the debt; and*~~

~~*(2) The debtor may request that the creditor provide the notice required by this paragraph in writing;*~~

~~*(b) If the creditor does not own the debt, notify the owner of the debt that the creditor is ceasing any collection efforts related to the debt; and*~~

~~*(c) Notify any reporting agency to whom the creditor reported information concerning the debt that the debt is the result of economic abuse or coerced debt and request that the reporting agency remove from its files any reference to the debt or any portion of the debt determined by the reporting agency to be the result of economic abuse or coerced debt in accordance with subsection 3 of section 2 of this act.*~~

~~*3. The notice provided by a debtor to a creditor described in subsection 1:*~~

~~*(a) May be provided orally or in writing; and*~~

~~*(b) Must include:*~~

~~*(1) Sufficient information for the creditor to identify any claim or account associated with the debt;*~~

~~(2) A statement that the debt is the result of economic abuse or coerced debt;~~

~~(3) Information concerning the circumstances under which the debt was incurred, if known; and~~

~~(4) Contact information that the creditor may use to reach the debtor or a person designated by the debtor to receive information concerning the debt.~~

~~4. If a creditor finds that the notice provided by a debtor is incomplete or is not accompanied by adequate documentation, the creditor shall, not later than 5 business days after receiving the notice, provide to the debtor a specific description of the additional information or documentation required by the creditor. A creditor is not required to comply with subsection 1 until the creditor receives the additional information or documentation requested.~~

~~5. The requirements prescribed by paragraphs (a) and (b) of subsection 1 do not apply to a creditor who challenges that the debt is not the result of economic abuse or coerced debt in accordance with subsection 6.~~

~~6. If a creditor has a good faith basis to believe that all or any portion of a debt is not the result of economic abuse or coerced debt, the creditor may seek a court order declaring that the debt or any portion of the debt is not the result of economic abuse or coerced debt. In any such suit:~~

~~(a) The fact that the debtor provided to the creditor the notice and documentation described in subsection 1 is prima facie evidence that the debt is the result of economic abuse or coerced debt, which must be rebutted by the creditor.~~

~~(b) The court shall take appropriate steps to protect the debtor and any immediate family member of the debtor from an alleged perpetrator of economic abuse or coerced debt.~~

~~7. Nothing in this section shall be construed to prohibit a creditor from taking any action to collect a debt from a perpetrator of economic abuse or coerced debt.~~

~~8. A creditor who violates this section is liable in a civil action brought pursuant to this section for actual damages, reasonable attorney's fees and any punitive damages that the facts may warrant.~~

~~9. The provisions of this section apply to an action upon a contract filed in any court in this State, regardless of whether the contract contains a choice of law provision which provides that the contract is to be governed or interpreted pursuant to the laws of another state.~~

~~10.]~~ *In any civil action to collect a consumer debt, it is an affirmative defense that the debt is a coerced debt.*

2. A debtor establishes a prima facie affirmative defense that a debt is a coerced debt by proving that:

(a) The debt is a consumer debt accrued in his or her name;

(b) The debt was accrued as the proximate result of the debtor having been a victim of domestic violence, human trafficking, abuse, coercion, fraud, duress, threats, intimidation, manipulation or other unlawful conduct; and

(c) Being a victim of domestic violence, human trafficking, abuse, coercion, fraud, duress, threats, intimidation, manipulation or other unlawful conduct caused the debtor to incur the debt against the debtor's will.

3. As used in this section ~~:~~

~~(a) "Adequate documentation" includes, without limitation:~~

~~(1) A police report that identifies the debt as a result of economic abuse or coerced debt and describes the circumstances under which the debt was incurred.~~

~~(2) A report filed with the Federal Trade Commission which states that the debtor is a victim of identity theft.~~

~~(3) An order from a court of competent jurisdiction finding that the debt is the result of economic abuse or coerced debt.~~

~~(4) An affidavit or declaration signed under penalty of perjury by a qualified third party to whom the debtor reported the economic abuse or coerced debt which:~~

~~(I) Identifies the debt; and~~

~~(II) Describes the circumstances under which the debt was incurred.~~

~~(b) "Coerced]~~ , *"coerced debt" means a consumer debt or any part thereof which is the proximate result of a person having been a victim of ~~identity theft,]~~ domestic violence, human trafficking, abuse, coercion, fraud, duress, threats, intimidation, manipulation or other unlawful conduct intended to induce the person to incur debt against his or her own will.*

~~[(c) "Collection agency" has the meaning ascribed to it in NRS 649.025.~~

~~(d) "Creditor" means any person to whom money is owed, including, without limitation, a collection agency or debt buyer.~~

~~(e) "Debt buyer" has the meaning ascribed to it in NRS 649.031.~~

~~(f) "Economic abuse" means any act taken by a person to:~~

~~(1) Obtain control, through coercion, deception, manipulation, undue influence, threats of harm, force or fraud, over another person's money, assets or property, including, without limitation by:~~

~~(I) Restricting the access of the person to his or her money, assets, property or consumer report;~~

~~(II) Using the personal identifying information of the person to obtain credit, a good, a service or anything of value in the name of that person without his or her consent; or~~

~~(III) Using the money, assets or property of the person without his or her consent;~~

~~(2) Restrain, sabotage or unreasonably control the ability of another person to acquire, use or maintain economic resources to which the person is entitled, including, without limitation, by:~~

~~(I) Depriving the person of food, shelter, clothing or services which are necessary to maintain the physical or mental health of the person; or~~

~~(II) Causing or attempting to cause another person to be financially dependent on the person;~~

~~(3) Exploit the relationship between the person and another person for financial or other personal gain; or~~

~~(4) Exert undue influence over another person's financial decisions, including, without limitation, by:~~

~~(I) Forcing the person into default on shared financial obligations;~~

~~(II) Misusing a power of attorney, guardianship or conservatorship of the person; or~~

~~(III) Failing to act in the person's best financial interest.~~

~~(g) "Immediate family member" means a parent, sibling, child by blood, adoption or marriage, spouse, grandparent or grandchild.~~

~~(h) "Qualified third party" includes a:~~

~~(1) Law enforcement officer;~~

~~(2) Provider of health care;~~

~~(3) Person who provides services to victims of crimes; or~~

~~(4) Member of the clergy of a church or religious society or denomination.~~

~~(i) "Reporting agency" has the meaning ascribed to it in NRS 598C.100.]~~

Sec. 2. ~~[Chapter 598C of NRS is hereby amended by adding thereto a new section to read as follows:~~

~~*1. If a consumer asserts that all or any portion of a debt is the result of economic abuse or coerced debt and provides notice and adequate documentation to a reporting agency or if the reporting agency receives notice from a creditor pursuant to paragraph (c) of subsection 2 of section 1 of this act, the reporting agency shall, as soon as reasonably practicable after receiving the notice and documentation, conduct an investigation concerning the debt.*~~

~~*2. The notice provided by a consumer to a reporting agency described in subsection 1:*~~

~~*(a) May be provided orally or in writing; and*~~

~~*(b) Must include:*~~

~~*(1) Sufficient information for the reporting agency to identify any account associated with the debt;*~~

~~*(2) A statement that the debt is the result of economic abuse or coerced debt;*~~

~~*(3) Information concerning the circumstances under which the debt was incurred, if known; and*~~

~~*(4) Contact information that the reporting agency may use to reach the consumer or a person designated by the consumer to receive information concerning the debt.*~~

~~*3. If the reporting agency determines, after investigation, that the debt or any portion of the debt:*~~

~~*(a) Is not the result of economic abuse or coerced debt, the reporting agency shall so notify the consumer.*~~

~~*(b) Is the result of economic abuse or coerced debt, the reporting agency shall remove from its files any reference to the debt or any portion of the debt determined by the reporting agency to be the result of economic abuse or coerced debt.*~~

~~*4. As used in this section:*~~

~~*(a) "Adequate documentation" includes, without limitation:*~~

~~*(1) A police report that identifies the debt as a result of economic abuse or coerced debt and describes the circumstances under which the debt was incurred.*~~

~~*(2) A report filed with the Federal Trade Commission which states that the consumer is a victim of identity theft.*~~

~~*(3) An order from a court of competent jurisdiction finding that the debt is the result of economic abuse or coerced debt.*~~

~~*(4) An affidavit or declaration signed under penalty of perjury by a qualified third party to whom the consumer reported the economic abuse or coerced debt which:*~~

~~*(I) Identifies the debt as being the result of economic abuse or coerced debt; and*~~

~~*(II) Describes the circumstances under which the debt was incurred.*~~

~~*(b) "Coerced debt" means a debt or any part thereof which is the proximate result of a person having been a victim of identity theft, domestic violence, abuse, coercion, fraud, duress, threats, intimidation, manipulation or other unlawful conduct intended to induce the person to incur debt against his or her own will.*~~

~~*(c) "Economic abuse" means any act taken by a person to:*~~

~~*(1) Obtain control, through coercion, deception, manipulation, undue influence, threats of harm, force or fraud, over another person's money, assets or property, including, without limitation by:*~~

~~*(I) Restricting the access of the person to his or her money, assets, property or consumer report;*~~

~~*(II) Using the personal identifying information of the person to obtain credit, a good, a service or anything of value in the name of that person without his or her consent; or*~~

~~*(III) Using the money, assets or property of the person without his or her consent;*~~

~~*(2) Restrain, sabotage or unreasonably control the ability of another person to acquire, use or maintain economic resources to which the person is entitled, including, without limitation, by:*~~

~~*(I) Depriving the person of food, shelter, clothing or services which are necessary to maintain the physical or mental health of the person; or*~~

~~*(II) Causing or attempting to cause another person to be financially dependent on the person;*~~

~~*(3) Exploit the relationship between the person and another person for financial or other personal gain; or*~~

~~*(4) Exert undue influence over another person's financial decisions, including, without limitation, by:*~~

~~*(I) Forcing the person into default on shared financial obligations;*~~

~~*(II) Misusing a power of attorney, guardianship or conservatorship; or*~~

~~*(III) Failing to act in the person's best financial interest.*~~

~~*(d) "Qualified third party" includes a:*~~

~~*(1) Law enforcement officer;*~~

~~*(2) Provider of health care;*~~

~~*(3) Person who provides services to victims of crimes; or*~~

~~*(4) Member of the clergy of a church or religious society or denomination.]*~~ **(Deleted by amendment.)**

Sec. 3. The ~~[amendatory]~~ provisions ~~[of section 1]~~ of this act ~~[do not]~~ apply to any ~~[contract entered into before]~~ **action filed on or after** October 1, 2025 **. [**~~, but do apply to any renewal or extension of such a contract.]~~