

ASSEMBLY BILL NO. 263—ASSEMBLYMAN HANSEN

MARCH 7, 2017

Referred to Committee on Taxation

SUMMARY—Repeals the Commerce Tax. (BDR 32-317)

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 taxation; repealing the Commerce Tax; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law imposes an annual commerce tax on each business entity engaged
2 in business in this State whose Nevada gross revenue in a fiscal year exceeds
3 \$4,000,000 at a rate that is based on the industry in which the business entity is
4 primarily engaged. (NRS 363C.200) This bill repeals the commerce tax.

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

1 **Section 1.** NRS 360.2937 is hereby amended to read as
2 follows:
3 360.2937 1. Except as otherwise provided in this section,
4 NRS 360.320 or any other specific statute, and notwithstanding the
5 provisions of NRS 360.2935, interest must be paid upon an
6 overpayment of any tax provided for in chapter 362, 363A, 363B,
7 ~~363C,~~ 369, 370, 372, 372B, 374, 377, 377A or 377C of NRS, any
8 of the taxes provided for in NRS 372A.290, any fee provided for in
9 NRS 444A.090 or 482.313, or any assessment provided for in NRS
10 585.497, at the rate of 0.25 percent per month from the last day of
11 the calendar month following the period for which the overpayment
12 was made.
13 2. No refund or credit may be made of any interest imposed on
14 the person making the overpayment with respect to the amount
15 being refunded or credited.
16 3. The interest must be paid:



1 (a) In the case of a refund, to the last day of the calendar month
2 following the date upon which the person making the overpayment,
3 if the person has not already filed a claim, is notified by the
4 Department that a claim may be filed or the date upon which the
5 claim is certified to the State Board of Examiners, whichever is
6 earlier.

7 (b) In the case of a credit, to the same date as that to which
8 interest is computed on the tax or the amount against which the
9 credit is applied.

10 **Sec. 2.** NRS 360.300 is hereby amended to read as follows:

11 360.300 1. If a person fails to file a return or the Department
12 is not satisfied with the return or returns of any tax, contribution or
13 premium or amount of tax, contribution or premium required to be
14 paid to the State by any person, in accordance with the applicable
15 provisions of this chapter, chapter 360B, 362, 363A, 363B, ~~363C,~~
16 369, 370, 372, 372A, 372B, 374, 377, 377A, 377C or 444A of NRS,
17 NRS 482.313, or chapter 585 or 680B of NRS, as administered or
18 audited by the Department, it may compute and determine the
19 amount required to be paid upon the basis of:

20 (a) The facts contained in the return;

21 (b) Any information within its possession or that may come into
22 its possession; or

23 (c) Reasonable estimates of the amount.

24 2. One or more deficiency determinations may be made with
25 respect to the amount due for one or for more than one period.

26 3. In making its determination of the amount required to be
27 paid, the Department shall impose interest on the amount of tax
28 determined to be due, calculated at the rate and in the manner set
29 forth in NRS 360.417, unless a different rate of interest is
30 specifically provided by statute.

31 4. The Department shall impose a penalty of 10 percent in
32 addition to the amount of a determination that is made in the case of
33 the failure of a person to file a return with the Department.

34 5. When a business is discontinued, a determination may be
35 made at any time thereafter within the time prescribed in NRS
36 360.355 as to liability arising out of that business, irrespective of
37 whether the determination is issued before the due date of the
38 liability.

39 **Sec. 3.** NRS 360.417 is hereby amended to read as follows:

40 360.417 Except as otherwise provided in NRS 360.232 and
41 360.320, and unless a different penalty or rate of interest is
42 specifically provided by statute, any person who fails to pay any tax
43 provided for in chapter 362, 363A, 363B, ~~363C,~~ 369, 370, 372,
44 372B, 374, 377, 377A, 377C, 444A or 585 of NRS, any of the taxes
45 provided for in NRS 372A.290, or any fee provided for in



1 NRS 482.313, and any person or governmental entity that fails to
2 pay any fee provided for in NRS 360.787, to the State or a county
3 within the time required, shall pay a penalty of not more than 10
4 percent of the amount of the tax or fee which is owed, as determined
5 by the Department, in addition to the tax or fee, plus interest at the
6 rate of 0.75 percent per month, or fraction of a month, from the last
7 day of the month following the period for which the amount or any
8 portion of the amount should have been reported until the date of
9 payment. The amount of any penalty imposed must be based on a
10 graduated schedule adopted by the Nevada Tax Commission which
11 takes into consideration the length of time the tax or fee remained
12 unpaid.

13 **Sec. 4.** NRS 360.510 is hereby amended to read as follows:

14 360.510 1. If any person is delinquent in the payment of any
15 tax or fee administered by the Department or if a determination has
16 been made against the person which remains unpaid, the
17 Department may:

18 (a) Not later than 3 years after the payment became delinquent
19 or the determination became final; or

20 (b) Not later than 6 years after the last recording of an abstract
21 of judgment or of a certificate constituting a lien for tax owed,

22 ➤ give a notice of the delinquency and a demand to transmit
23 personally or by registered or certified mail to any person,
24 including, without limitation, any officer or department of this State
25 or any political subdivision or agency of this State, who has in his or
26 her possession or under his or her control any credits or other
27 personal property belonging to the delinquent, or owing any debts to
28 the delinquent or person against whom a determination has been
29 made which remains unpaid, or owing any debts to the delinquent or
30 that person. In the case of any state officer, department or agency,
31 the notice must be given to the officer, department or agency before
32 the Department presents the claim of the delinquent taxpayer to the
33 State Controller.

34 2. A state officer, department or agency which receives such a
35 notice may satisfy any debt owed to it by that person before it
36 honors the notice of the Department.

37 3. After receiving the demand to transmit, the person notified
38 by the demand may not transfer or otherwise dispose of the credits,
39 other personal property, or debts in his or her possession or under
40 his or her control at the time the person received the notice until the
41 Department consents to a transfer or other disposition.

42 4. Every person notified by a demand to transmit shall, within
43 10 days after receipt of the demand to transmit, inform the
44 Department of and transmit to the Department all such credits, other
45 personal property or debts in his or her possession, under his or her



1 control or owing by that person within the time and in the manner
2 requested by the Department. Except as otherwise provided in
3 subsection 5, no further notice is required to be served to that
4 person.

5 5. If the property of the delinquent taxpayer consists of a series
6 of payments owed to him or her, the person who owes or controls
7 the payments shall transmit the payments to the Department until
8 otherwise notified by the Department. If the debt of the delinquent
9 taxpayer is not paid within 1 year after the Department issued the
10 original demand to transmit, the Department shall issue another
11 demand to transmit to the person responsible for making the
12 payments informing him or her to continue to transmit payments to
13 the Department or that his or her duty to transmit the payments to
14 the Department has ceased.

15 6. If the notice of the delinquency seeks to prevent the transfer
16 or other disposition of a deposit in a bank or credit union or other
17 credits or personal property in the possession or under the control of
18 a bank, credit union or other depository institution, the notice must
19 be delivered or mailed to any branch or office of the bank, credit
20 union or other depository institution at which the deposit is carried
21 or at which the credits or personal property is held.

22 7. If any person notified by the notice of the delinquency
23 makes any transfer or other disposition of the property or debts
24 required to be withheld or transmitted, to the extent of the value of
25 the property or the amount of the debts thus transferred or paid, that
26 person is liable to the State for any indebtedness due pursuant to this
27 chapter, chapter 360B, 362, 363A, 363B, ~~363C,~~ 369, 370, 372,
28 372A, 372B, 374, 377, 377A, 377C or 444A of NRS, NRS 482.313,
29 or chapter 585 or 680B of NRS from the person with respect to
30 whose obligation the notice was given if solely by reason of the
31 transfer or other disposition the State is unable to recover
32 the indebtedness of the person with respect to whose obligation the
33 notice was given.

34 **Sec. 5.** NRS 363A.130 is hereby amended to read as follows:

35 363A.130 1. ~~Except as otherwise provided in NRS 360.203,~~
36 ~~there~~ **There** is hereby imposed an excise tax on each employer at
37 the rate of 2 percent of the wages, as defined in NRS 612.190, paid
38 by the employer during a calendar quarter with respect to
39 employment in connection with the business activities of the
40 employer.

41 2. The tax imposed by this section:

42 (a) Does not apply to any person or other entity or any wages
43 this State is prohibited from taxing under the Constitution, laws or
44 treaties of the United States or the Nevada Constitution.



1 (b) Must not be deducted, in whole or in part, from any wages of
2 persons in the employment of the employer.

3 3. Each employer shall, on or before the last day of the month
4 immediately following each calendar quarter for which the
5 employer is required to pay a contribution pursuant to
6 NRS 612.535:

7 (a) File with the Department a return on a form prescribed by
8 the Department; and

9 (b) Remit to the Department any tax due pursuant to this section
10 for that calendar quarter.

11 4. ~~In determining the amount of the tax due pursuant to this~~
12 ~~section, an employer is entitled to subtract from the amount~~
13 ~~calculated pursuant to subsection 1 a credit in an amount equal to 50~~
14 ~~percent of the amount of the commerce tax paid by the employer~~
15 ~~pursuant to chapter 363C of NRS for the preceding taxable year.~~
16 ~~The credit may only be used for any of the 4 calendar quarters~~
17 ~~immediately following the end of the taxable year for which the~~
18 ~~commerce tax was paid. The amount of credit used for a calendar~~
19 ~~quarter may not exceed the amount calculated pursuant to~~
20 ~~subsection 1 for that calendar quarter. Any unused credit may not be~~
21 ~~carried forward beyond the fourth calendar quarter immediately~~
22 ~~following the end of the taxable year for which the commerce tax~~
23 ~~was paid, and a taxpayer is not entitled to a refund of any unused~~
24 ~~credit.~~

25 ~~5.1~~ An employer who makes a donation of money to a
26 scholarship organization during the calendar quarter for which a
27 return is filed pursuant to this section is entitled, in accordance with
28 NRS 363A.139, to a credit equal to the amount authorized pursuant
29 to NRS 363A.139 against any tax otherwise due pursuant to this
30 section. As used in this subsection, "scholarship organization" has
31 the meaning ascribed to it in NRS 388D.260.

32 **Sec. 6.** NRS 363B.110 is hereby amended to read as follows:

33 363B.110 1. ~~Except as otherwise provided in NRS 360.203,~~
34 ~~there~~ *There* is hereby imposed an excise tax on each employer at
35 the rate of 1.475 percent of the amount by which the sum of all the
36 wages, as defined in NRS 612.190, paid by the employer during a
37 calendar quarter with respect to employment in connection with the
38 business activities of the employer exceeds \$50,000.

39 2. The tax imposed by this section:

40 (a) Does not apply to any person or other entity or any wages
41 this State is prohibited from taxing under the Constitution, laws or
42 treaties of the United States or the Nevada Constitution.

43 (b) Must not be deducted, in whole or in part, from any wages of
44 persons in the employment of the employer.



1 3. Each employer shall, on or before the last day of the month
2 immediately following each calendar quarter for which the
3 employer is required to pay a contribution pursuant to
4 NRS 612.535:

5 (a) File with the Department a return on a form prescribed by
6 the Department; and

7 (b) Remit to the Department any tax due pursuant to this chapter
8 for that calendar quarter.

9 4. ~~In determining the amount of the tax due pursuant to this
10 section, an employer is entitled to subtract from the amount
11 calculated pursuant to subsection 1 a credit in an amount equal to 50
12 percent of the amount of the commerce tax paid by the employer
13 pursuant to chapter 363C of NRS for the preceding taxable year.
14 The credit may only be used for any of the 4 calendar quarters
15 immediately following the end of the taxable year for which the
16 commerce tax was paid. The amount of credit used for a calendar
17 quarter may not exceed the amount calculated pursuant to
18 subsection 1 for that calendar quarter. Any unused credit may not be
19 carried forward beyond the fourth calendar quarter immediately
20 following the end of the taxable year for which the commerce tax
21 was paid, and a taxpayer is not entitled to a refund of any unused
22 credit.~~

23 ~~5.~~ An employer who makes a donation of money to a
24 scholarship organization during the calendar quarter for which a
25 return is filed pursuant to this section is entitled, in accordance with
26 NRS 363B.119, to a credit equal to the amount authorized pursuant
27 to NRS 363B.119 against any tax otherwise due pursuant to this
28 section. As used in this subsection, "scholarship organization" has
29 the meaning ascribed to it in NRS 388D.260.

30 **Sec. 7.** NRS 78.245 is hereby amended to read as follows:

31 78.245 ~~1. Except as otherwise provided in subsection 2, no~~
32 *No* stocks, bonds or other securities issued by any corporation
33 organized under this chapter, nor the income or profits therefrom,
34 nor the transfer thereof by assignment, descent, testamentary
35 disposition or otherwise, shall be taxed by this State when such
36 stocks, bonds or other securities shall be owned by nonresidents of
37 this State or by foreign corporations.

38 ~~2. The provisions of subsection 1 do not apply to the~~
39 ~~commerce tax imposed pursuant to chapter 363C of NRS.~~

40 **Sec. 8.** NRS 90.420 is hereby amended to read as follows:

41 90.420 1. The Administrator by order may deny, suspend or
42 revoke any license, fine any licensed person, limit the activities
43 governed by this chapter that an applicant or licensed person may
44 perform in this State, bar an applicant or licensed person from
45 association with a licensed broker-dealer or investment adviser or



1 bar from employment with a licensed broker-dealer or investment
2 adviser a person who is a partner, officer, director, sales
3 representative, investment adviser or representative of an investment
4 adviser, or a person occupying a similar status or performing a
5 similar function for an applicant or licensed person, if the
6 Administrator finds that the order is in the public interest and that
7 the applicant or licensed person or, in the case of a broker-dealer or
8 investment adviser, any partner, officer, director, sales
9 representative, investment adviser, representative of an investment
10 adviser, or person occupying a similar status or performing similar
11 functions or any person directly or indirectly controlling the broker-
12 dealer or investment adviser, or any transfer agent or any person
13 directly or indirectly controlling the transfer agent:

14 (a) Has filed an application for licensing with the Administrator
15 which, as of its effective date, or as of any date after filing in the
16 case of an order denying effectiveness, was incomplete in a material
17 respect or contained a statement that was, in light of the
18 circumstances under which it was made, false or misleading with
19 respect to a material fact;

20 (b) Has violated or failed to comply with a provision of this
21 chapter as now or formerly in effect or a regulation or order adopted
22 or issued under this chapter;

23 (c) Is the subject of an adjudication or determination after notice
24 and opportunity for hearing, within the last 5 years by a securities
25 agency or administrator of another state or a court of competent
26 jurisdiction that the person has violated the Securities Act of 1933,
27 the Securities Exchange Act of 1934, the Investment Advisers Act
28 of 1940, the Investment Company Act of 1940, the Commodity
29 Exchange Act or the securities law of any other state, but only if the
30 acts constituting the violation of that state's law would constitute a
31 violation of this chapter had the acts taken place in this State;

32 (d) Has been convicted of a felony or, within the previous 10
33 years has been convicted of a misdemeanor, which the
34 Administrator finds:

35 (1) Involves the purchase or sale of a security, taking a false
36 oath, making a false report, bribery, perjury, burglary, robbery or
37 conspiracy to commit any of the foregoing offenses;

38 (2) Arises out of the conduct of business as a broker-dealer,
39 investment adviser, depository institution, insurance company or
40 fiduciary;

41 (3) Involves the larceny, theft, robbery, extortion, forgery,
42 counterfeiting, fraudulent concealment, embezzlement, fraudulent
43 conversion or misappropriation of money or securities or conspiracy
44 to commit any of the foregoing offenses; or

45 (4) Involves moral turpitude;



1 (e) Is or has been permanently or temporarily enjoined by any
2 court of competent jurisdiction, unless the order has been vacated,
3 from acting as an investment adviser, representative of an
4 investment adviser, underwriter, broker-dealer or as an affiliated
5 person or employee of an investment company, depository
6 institution or insurance company or from engaging in or continuing
7 any conduct or practice in connection with any of the foregoing
8 activities or in connection with the purchase or sale of a security;

9 (f) Is or has been the subject of an order of the Administrator,
10 unless the order has been vacated, denying, suspending or revoking
11 the person's license as a broker-dealer, sales representative,
12 investment adviser, representative of an investment adviser or
13 transfer agent;

14 (g) Is or has been the subject of any of the following orders
15 which were issued within the last 5 years, unless the order has been
16 vacated:

17 (1) An order by the securities agency or administrator of
18 another state, jurisdiction, Canadian province or territory, the
19 Commodity Futures Trading Commission, or by the Securities and
20 Exchange Commission or a comparable regulatory agency of
21 another country, entered after notice and opportunity for hearing,
22 denying, suspending or revoking the person's license as a broker-
23 dealer, sales representative, investment adviser, representative of an
24 investment adviser or transfer agent;

25 (2) A suspension or expulsion from membership in or
26 association with a member of a self-regulatory organization;

27 (3) An order by a self-regulatory organization that prohibits
28 the person from serving, indefinitely or for a specified period, as a
29 principal or in a supervisory capacity within a business or
30 organization which is a member of a self-regulatory organization;

31 (4) An order of the United States Postal Service relating to
32 fraud;

33 (5) An order to cease and desist entered after notice and
34 opportunity for hearing by the Administrator, the securities agency
35 or administrator of another state, jurisdiction, Canadian province or
36 territory, the Securities and Exchange Commission or a comparable
37 regulatory agency of another country, or the Commodity Futures
38 Trading Commission; or

39 (6) An order by the Commodity Futures Trading
40 Commission denying, suspending or revoking registration under the
41 Commodity Exchange Act;

42 (h) Has engaged in unethical or dishonest practices in the
43 securities business;

44 (i) Is insolvent, either in the sense that liabilities exceed assets or
45 in the sense that obligations cannot be met as they mature, but the



1 Administrator may not enter an order against a broker-dealer or
2 investment adviser under this paragraph without a finding of
3 insolvency as to the broker-dealer or investment adviser;

4 (j) Has failed to pay a tax as required pursuant to the provisions
5 of chapter 363A ~~for 363C~~ of NRS;

6 (k) Is determined by the Administrator in compliance with NRS
7 90.430 not to be qualified on the basis of lack of training,
8 experience and knowledge of the securities business; or

9 (l) Has failed reasonably to supervise a sales representative,
10 employee or representative of an investment adviser.

11 2. The Administrator may not institute a proceeding on the
12 basis of a fact or transaction known to the director when the license
13 became effective unless the proceeding is instituted within 90 days
14 after issuance of the license.

15 3. If the Administrator finds that an applicant or licensed
16 person is no longer in existence or has ceased to do business as a
17 broker-dealer, sales representative, investment adviser,
18 representative of an investment adviser or transfer agent or is
19 adjudicated mentally incompetent or subjected to the control of a
20 committee, conservator or guardian or cannot be located after
21 reasonable search, the Administrator may by order deny the
22 application or revoke the license.

23 **Sec. 9.** NRS 90.730 is hereby amended to read as follows:

24 90.730 1. Except as otherwise provided in subsection 2,
25 information and records filed with or obtained by the Administrator
26 are public information and are available for public examination.

27 2. Except as otherwise provided in subsections 3 and 4 and
28 NRS 239.0115, the following information and records do not
29 constitute public information under subsection 1 and are
30 confidential:

31 (a) Information or records obtained by the Administrator in
32 connection with an investigation concerning possible violations of
33 this chapter; and

34 (b) Information or records filed with the Administrator in
35 connection with a registration statement filed under this chapter or a
36 report under NRS 90.390 which constitute trade secrets or
37 commercial or financial information of a person for which that
38 person is entitled to and has asserted a claim of privilege or
39 confidentiality authorized by law.

40 3. The Administrator may submit any information or evidence
41 obtained in connection with an investigation to the:

42 (a) Attorney General or appropriate district attorney for the
43 purpose of prosecuting a criminal action under this chapter; and

44 (b) Department of Taxation for its use in carrying out the
45 provisions of ~~chapters~~ **chapter** 363A ~~and 363C~~ of NRS.



1 4. The Administrator may disclose any information obtained in
2 connection with an investigation pursuant to NRS 90.620 to the
3 agencies and administrators specified in subsection 1 of NRS 90.740
4 but only if disclosure is provided for the purpose of a civil,
5 administrative or criminal investigation or proceeding, and the
6 receiving agency or administrator represents in writing that under
7 applicable law protections exist to preserve the integrity,
8 confidentiality and security of the information.

9 5. This chapter does not create any privilege or diminish any
10 privilege existing at common law, by statute, regulation or
11 otherwise.

12 **Sec. 10.** NRS 604A.820 is hereby amended to read as follows:

13 604A.820 1. If the Commissioner has reason to believe that
14 grounds for revocation or suspension of a license exist, the
15 Commissioner shall give 20 days' written notice to the licensee
16 stating the contemplated action and, in general, the grounds therefor
17 and set a date for a hearing.

18 2. At the conclusion of a hearing, the Commissioner shall:

19 (a) Enter a written order either dismissing the charges, revoking
20 the license or suspending the license for a period of not more than
21 60 days, which period must include any prior temporary suspension.
22 The Commissioner shall send a copy of the order to the licensee by
23 registered or certified mail.

24 (b) Impose upon the licensee an administrative fine of not more
25 than \$10,000 for each violation by the licensee of any provision of
26 this chapter or any regulation adopted pursuant thereto.

27 (c) If a fine is imposed pursuant to this section, enter such order
28 as is necessary to recover the costs of the proceeding, including
29 investigative costs and attorney's fees of the Commissioner.

30 3. The grounds for revocation or suspension of a license are
31 that:

32 (a) The licensee has failed to pay the annual license fee;

33 (b) The licensee, either knowingly or without any exercise of
34 due care to prevent it, has violated any provision of this chapter or
35 any lawful regulation adopted pursuant thereto;

36 (c) The licensee has failed to pay a tax as required pursuant to
37 the provisions of chapter 363A ~~for 363C~~ of NRS;

38 (d) Any fact or condition exists which would have justified the
39 Commissioner in denying the licensee's original application for a
40 license pursuant to the provisions of this chapter; or

41 (e) The licensee:

42 (1) Failed to open an office for the conduct of the business
43 authorized by his or her license within 180 days after the date the
44 license was issued; or



1 (2) Has failed to remain open for the conduct of the business
2 for a period of 180 days without good cause therefor.

3 4. Any revocation or suspension applies only to the license
4 granted to a person for the particular office for which grounds for
5 revocation or suspension exist.

6 5. An order suspending or revoking a license becomes effective
7 5 days after being entered unless the order specifies otherwise or a
8 stay is granted.

9 **Sec. 11.** NRS 612.265 is hereby amended to read as follows:

10 612.265 1. Except as otherwise provided in this section and
11 NRS 239.0115 and 612.642, information obtained from any
12 employing unit or person pursuant to the administration of this
13 chapter and any determination as to the benefit rights of any person
14 is confidential and may not be disclosed or be open to public
15 inspection in any manner which would reveal the person's or
16 employing unit's identity.

17 2. Any claimant or a legal representative of a claimant is
18 entitled to information from the records of the Division, to the
19 extent necessary for the proper presentation of the claimant's claim
20 in any proceeding pursuant to this chapter. A claimant or an
21 employing unit is not entitled to information from the records of the
22 Division for any other purpose.

23 3. The Administrator may, in accordance with a cooperative
24 agreement among all participants in the statewide longitudinal data
25 system developed pursuant to NRS 400.040, make the information
26 obtained by the Division available to:

27 (a) The Board of Regents of the University of Nevada for the
28 purpose of complying with the provisions of subsection 4 of NRS
29 396.531; and

30 (b) The Director of the Department of Employment, Training
31 and Rehabilitation for the purpose of complying with the provisions
32 of paragraph (d) of subsection 1 of NRS 232.920.

33 4. Subject to such restrictions as the Administrator may by
34 regulation prescribe, the information obtained by the Division may
35 be made available to:

36 (a) Any agency of this or any other state or any federal agency
37 charged with the administration or enforcement of laws relating to
38 unemployment compensation, public assistance, workers'
39 compensation or labor and industrial relations, or the maintenance
40 of a system of public employment offices;

41 (b) Any state or local agency for the enforcement of child
42 support;

43 (c) The Internal Revenue Service of the Department of the
44 Treasury;

45 (d) The Department of Taxation;



1 (e) The State Contractors' Board in the performance of its duties
2 to enforce the provisions of chapter 624 of NRS; and

3 (f) The Secretary of State to operate the state business portal
4 established pursuant to chapter 75A of NRS for the purposes of
5 verifying that data submitted via the portal has satisfied the
6 necessary requirements established by the Division, and as
7 necessary to maintain the technical integrity and functionality of the
8 state business portal established pursuant to chapter 75A of NRS.

9 ➤ Information obtained in connection with the administration of the
10 Division may be made available to persons or agencies for purposes
11 appropriate to the operation of a public employment service or a
12 public assistance program.

13 5. Upon written request made by the State Controller or a
14 public officer of a local government, the Administrator shall furnish
15 from the records of the Division the name, address and place of
16 employment of any person listed in the records of employment of
17 the Division. The request may be made electronically and must set
18 forth the social security number of the person about whom the
19 request is made and contain a statement signed by the proper
20 authority of the State Controller or local government certifying that
21 the request is made to allow the proper authority to enforce a law to
22 recover a debt or obligation assigned to the State Controller for
23 collection or owed to the local government, as applicable. Except as
24 otherwise provided in NRS 239.0115, the information obtained by
25 the State Controller or local government is confidential and may not
26 be used or disclosed for any purpose other than the collection of a
27 debt or obligation assigned to the State Controller for collection or
28 owed to that local government. The Administrator may charge a
29 reasonable fee for the cost of providing the requested information.

30 6. The Administrator may publish or otherwise provide
31 information on the names of employers, their addresses, their type
32 or class of business or industry, and the approximate number of
33 employees employed by each such employer, if the information
34 released will assist unemployed persons to obtain employment or
35 will be generally useful in developing and diversifying the economic
36 interests of this State. Upon request by a state agency which is able
37 to demonstrate that its intended use of the information will benefit
38 the residents of this State, the Administrator may, in addition to the
39 information listed in this subsection, disclose the number of
40 employees employed by each employer and the total wages paid by
41 each employer. The Administrator may charge a fee to cover the
42 actual costs of any administrative expenses relating to the disclosure
43 of this information to a state agency. The Administrator may require
44 the state agency to certify in writing that the agency will take all



1 actions necessary to maintain the confidentiality of the information
2 and prevent its unauthorized disclosure.

3 7. Upon request therefor, the Administrator shall furnish to any
4 agency of the United States charged with the administration of
5 public works or assistance through public employment, and may
6 furnish to any state agency similarly charged, the name, address,
7 ordinary occupation and employment status of each recipient of
8 benefits and the recipient's rights to further benefits pursuant to this
9 chapter.

10 8. To further a current criminal investigation, the chief
11 executive officer of any law enforcement agency of this State may
12 submit a written request to the Administrator that the Administrator
13 furnish, from the records of the Division, the name, address and
14 place of employment of any person listed in the records of
15 employment of the Division. The request must set forth the social
16 security number of the person about whom the request is made and
17 contain a statement signed by the chief executive officer certifying
18 that the request is made to further a criminal investigation currently
19 being conducted by the agency. Upon receipt of such a request, the
20 Administrator shall furnish the information requested. The
21 Administrator may charge a fee to cover the actual costs of any
22 related administrative expenses.

23 9. In addition to the provisions of subsection 6, the
24 Administrator shall provide lists containing the names and addresses
25 of employers, and information regarding the wages paid by each
26 employer to the Department of Taxation, upon request, for use in
27 verifying returns for the taxes imposed pursuant to chapters 363A ~~+~~
28 ~~and 363B~~ ~~and 363C~~ of NRS. The Administrator may charge a fee
29 to cover the actual costs of any related administrative expenses.

30 10. The Division of Industrial Relations of the Department of
31 Business and Industry shall periodically submit to the
32 Administrator, from information in the index of claims established
33 pursuant to NRS 616B.018, a list containing the name of each
34 person who received benefits pursuant to chapters 616A to 616D,
35 inclusive, or chapter 617 of NRS. Upon receipt of that information,
36 the Administrator shall compare the information so provided with
37 the records of the Employment Security Division regarding persons
38 claiming benefits pursuant to this chapter for the same period. The
39 information submitted by the Division of Industrial Relations must
40 be in a form determined by the Administrator and must contain the
41 social security number of each such person. If it appears from the
42 information submitted that a person is simultaneously claiming
43 benefits under this chapter and under chapters 616A to 616D,
44 inclusive, or chapter 617 of NRS, the Administrator shall notify the
45 Attorney General or any other appropriate law enforcement agency.



1 11. The Administrator may request the Comptroller of the
2 Currency of the United States to cause an examination of the
3 correctness of any return or report of any national banking
4 association rendered pursuant to the provisions of this chapter, and
5 may in connection with the request transmit any such report or
6 return to the Comptroller of the Currency of the United States as
7 provided in section 3305(c) of the Internal Revenue Code of 1954.

8 12. If any employee or member of the Board of Review, the
9 Administrator or any employee of the Administrator, in violation of
10 the provisions of this section, discloses information obtained from
11 any employing unit or person in the administration of this chapter,
12 or if any person who has obtained a list of applicants for work, or of
13 claimants or recipients of benefits pursuant to this chapter uses or
14 permits the use of the list for any political purpose, he or she is
15 guilty of a gross misdemeanor.

16 13. All letters, reports or communications of any kind, oral or
17 written, from the employer or employee to each other or to the
18 Division or any of its agents, representatives or employees are
19 privileged and must not be the subject matter or basis for any
20 lawsuit if the letter, report or communication is written, sent,
21 delivered or prepared pursuant to the requirements of this chapter.

22 **Sec. 12.** NRS 616B.012 is hereby amended to read as follows:

23 616B.012 1. Except as otherwise provided in this section and
24 NRS 239.0115, 616B.015, 616B.021 and 616C.205, information
25 obtained from any insurer, employer or employee is confidential and
26 may not be disclosed or be open to public inspection in any manner
27 which would reveal the person's identity.

28 2. Any claimant or legal representative of the claimant is
29 entitled to information from the records of the insurer, to the extent
30 necessary for the proper presentation of a claim in any proceeding
31 under chapters 616A to 616D, inclusive, or chapter 617 of NRS.

32 3. The Division and Administrator are entitled to information
33 from the records of the insurer which is necessary for the
34 performance of their duties. The Administrator may, by regulation,
35 prescribe the manner in which otherwise confidential information
36 may be made available to:

37 (a) Any agency of this or any other state charged with the
38 administration or enforcement of laws relating to industrial
39 insurance, unemployment compensation, public assistance or labor
40 law and industrial relations;

41 (b) Any state or local agency for the enforcement of child
42 support;

43 (c) The Internal Revenue Service of the Department of the
44 Treasury;

45 (d) The Department of Taxation; and



1 (e) The State Contractors' Board in the performance of its duties
2 to enforce the provisions of chapter 624 of NRS.

3 ➔ Information obtained in connection with the administration of a
4 program of industrial insurance may be made available to persons or
5 agencies for purposes appropriate to the operation of a program of
6 industrial insurance.

7 4. Upon written request made by a public officer of a local
8 government, an insurer shall furnish from its records the name,
9 address and place of employment of any person listed in its records.
10 The request must set forth the social security number of the person
11 about whom the request is made and contain a statement signed by
12 proper authority of the local government certifying that the request
13 is made to allow the proper authority to enforce a law to recover a
14 debt or obligation owed to the local government. Except as
15 otherwise provided in NRS 239.0115, the information obtained by
16 the local government is confidential and may not be used or
17 disclosed for any purpose other than the collection of a debt or
18 obligation owed to the local government. The insurer may charge a
19 reasonable fee for the cost of providing the requested information.

20 5. To further a current criminal investigation, the chief
21 executive officer of any law enforcement agency of this State may
22 submit to the Administrator a written request for the name, address
23 and place of employment of any person listed in the records of an
24 insurer. The request must set forth the social security number of the
25 person about whom the request is made and contain a statement
26 signed by the chief executive officer certifying that the request is
27 made to further a criminal investigation currently being conducted
28 by the agency. Upon receipt of a request, the Administrator shall
29 instruct the insurer to furnish the information requested. Upon
30 receipt of such an instruction, the insurer shall furnish the
31 information requested. The insurer may charge a reasonable fee to
32 cover any related administrative expenses.

33 6. Upon request by the Department of Taxation, the
34 Administrator shall provide:

35 (a) Lists containing the names and addresses of employers; and

36 (b) Other information concerning employers collected and
37 maintained by the Administrator or the Division to carry out the
38 purposes of chapters 616A to 616D, inclusive, or chapter 617 of
39 NRS,

40 ➔ to the Department for its use in verifying returns for the taxes
41 imposed pursuant to chapters 363A ~~H~~ and 363B ~~and 363C~~ of
42 NRS. The Administrator may charge a reasonable fee to cover any
43 related administrative expenses.

44 7. Any person who, in violation of this section, discloses
45 information obtained from files of claimants or policyholders or



1 obtains a list of claimants or policyholders under chapters 616A to
2 616D, inclusive, or chapter 617 of NRS and uses or permits the use
3 of the list for any political purposes, is guilty of a gross
4 misdemeanor.

5 8. All letters, reports or communications of any kind, oral or
6 written, from the insurer, or any of its agents, representatives or
7 employees are privileged and must not be the subject matter or basis
8 for any lawsuit if the letter, report or communication is written, sent,
9 delivered or prepared pursuant to the requirements of chapters 616A
10 to 616D, inclusive, or chapter 617 of NRS.

11 9. The provisions of this section do not prohibit the
12 Administrator or the Division from disclosing any nonproprietary
13 information relating to an uninsured employer or proof of industrial
14 insurance.

15 **Sec. 13.** NRS 645B.060 is hereby amended to read as follows:

16 645B.060 1. Subject to the administrative control of the
17 Director of the Department of Business and Industry, the
18 Commissioner shall exercise general supervision and control over
19 mortgage brokers and mortgage agents doing business in this State.

20 2. In addition to the other duties imposed upon him or her by
21 law, the Commissioner shall:

22 (a) Adopt regulations:

23 (1) Setting forth the requirements for an investor to acquire
24 ownership of or a beneficial interest in a loan secured by a lien on
25 real property. The regulations must include, without limitation, the
26 minimum financial conditions that the investor must comply with
27 before becoming an investor.

28 (2) Establishing reasonable limitations and guidelines on
29 loans made by a mortgage broker to a director, officer, mortgage
30 agent or employee of the mortgage broker.

31 (b) Adopt any other regulations that are necessary to carry out
32 the provisions of this chapter, except as to loan brokerage fees.

33 (c) Conduct such investigations as may be necessary to
34 determine whether any person has violated any provision of this
35 chapter, a regulation adopted pursuant to this chapter or an order of
36 the Commissioner.

37 (d) Except as otherwise provided in subsection 4, conduct an
38 annual examination of each mortgage broker doing business in this
39 State. The annual examination must include, without limitation, a
40 formal exit review with the mortgage broker. The Commissioner
41 shall adopt regulations prescribing:

42 (1) Standards for determining the rating of each mortgage
43 broker based upon the results of the annual examination; and

44 (2) Procedures for resolving any objections made by the
45 mortgage broker to the results of the annual examination. The



1 results of the annual examination may not be opened to public
2 inspection pursuant to NRS 645B.090 until after a period of time set
3 by the Commissioner to determine any objections made by the
4 mortgage broker.

5 (e) Conduct such other examinations, periodic or special audits,
6 investigations and hearings as may be necessary for the efficient
7 administration of the laws of this State regarding mortgage brokers
8 and mortgage agents. The Commissioner shall adopt regulations
9 specifying the general guidelines that will be followed when a
10 periodic or special audit of a mortgage broker is conducted pursuant
11 to this chapter.

12 (f) Classify as confidential certain records and information
13 obtained by the Division when those matters are obtained from a
14 governmental agency upon the express condition that they remain
15 confidential. This paragraph does not limit examination by:

16 (1) The Legislative Auditor; or

17 (2) The Department of Taxation if necessary to carry out the
18 provisions of ~~chapters~~ chapter 363A ~~and 363C~~ of NRS.

19 (g) Conduct such examinations and investigations as are
20 necessary to ensure that mortgage brokers and mortgage agents meet
21 the requirements of this chapter for obtaining a license, both at the
22 time of the application for a license and thereafter on a continuing
23 basis.

24 3. For each special audit, investigation or examination, a
25 mortgage broker or mortgage agent shall pay a fee based on the rate
26 established pursuant to NRS 645F.280.

27 4. The Commissioner may conduct examinations of a mortgage
28 broker, as described in paragraph (d) of subsection 2, on a biennial
29 instead of an annual basis if the mortgage broker:

30 (a) Received a rating in the last annual examination that meets a
31 threshold determined by the Commissioner;

32 (b) Has not had any adverse change in financial condition since
33 the last annual examination, as shown by financial statements of the
34 mortgage broker;

35 (c) Has not had any complaints received by the Division that
36 resulted in any administrative action by the Division; and

37 (d) Does not maintain any trust accounts pursuant to NRS
38 645B.170 or 645B.175 or arrange loans funded by private investors.

39 **Sec. 14.** NRS 645B.670 is hereby amended to read as follows:

40 645B.670 1. Except as otherwise provided in NRS 645B.690:

41 (a) For each violation committed by an applicant for a license
42 issued pursuant to this chapter, whether or not the applicant is issued
43 a license, the Commissioner may impose upon the applicant an
44 administrative fine of not more than \$25,000 if the applicant:



- 1 (1) Has knowingly made or caused to be made to the
2 Commissioner any false representation of material fact;
- 3 (2) Has suppressed or withheld from the Commissioner any
4 information which the applicant possesses and which, if submitted
5 by the applicant, would have rendered the applicant ineligible to be
6 licensed pursuant to the provisions of this chapter; or
- 7 (3) Has violated any provision of this chapter, a regulation
8 adopted pursuant to this chapter or an order of the Commissioner in
9 completing and filing his or her application for a license or during
10 the course of the investigation of his or her application for a license.
- 11 (b) For each violation committed by a mortgage broker, the
12 Commissioner may impose upon the mortgage broker an
13 administrative fine of not more than \$25,000, may suspend, revoke
14 or place conditions upon the mortgage broker's license, or may do
15 both, if the mortgage broker, whether or not acting as such:
- 16 (1) Is insolvent;
- 17 (2) Is grossly negligent or incompetent in performing any act
18 for which the mortgage broker is required to be licensed pursuant to
19 the provisions of this chapter;
- 20 (3) Does not conduct his or her business in accordance with
21 law or has violated any provision of this chapter, a regulation
22 adopted pursuant to this chapter or an order of the Commissioner;
- 23 (4) Is in such financial condition that the mortgage broker
24 cannot continue in business with safety to his or her customers;
- 25 (5) Has made a material misrepresentation in connection
26 with any transaction governed by this chapter;
- 27 (6) Has suppressed or withheld from a client any material
28 facts, data or other information relating to any transaction governed
29 by the provisions of this chapter which the mortgage broker knew
30 or, by the exercise of reasonable diligence, should have known;
- 31 (7) Has knowingly made or caused to be made to the
32 Commissioner any false representation of material fact or has
33 suppressed or withheld from the Commissioner any information
34 which the mortgage broker possesses and which, if submitted by the
35 mortgage broker, would have rendered the mortgage broker
36 ineligible to be licensed pursuant to the provisions of this chapter;
- 37 (8) Has failed to account to persons interested for all money
38 received for a trust account;
- 39 (9) Has refused to permit an examination by the
40 Commissioner of his or her books and affairs or has refused or
41 failed, within a reasonable time, to furnish any information or make
42 any report that may be required by the Commissioner pursuant to
43 the provisions of this chapter or a regulation adopted pursuant to this
44 chapter;



1 (10) Has been convicted of, or entered or agreed to enter a
2 plea of guilty or nolo contendere to, a felony in a domestic, foreign
3 or military court within the 7 years immediately preceding the date
4 of the application, or at any time if such felony involved an act of
5 fraud, dishonesty or a breach of trust, moral turpitude or money
6 laundering;

7 (11) Has refused or failed to pay, within a reasonable time,
8 any fees, assessments, costs or expenses that the mortgage broker is
9 required to pay pursuant to this chapter or a regulation adopted
10 pursuant to this chapter;

11 (12) Has failed to satisfy a claim made by a client which has
12 been reduced to judgment;

13 (13) Has failed to account for or to remit any money of a
14 client within a reasonable time after a request for an accounting or
15 remittal;

16 (14) Has commingled the money or other property of a client
17 with his or her own or has converted the money or property of
18 others to his or her own use;

19 (15) Has engaged in any other conduct constituting a
20 deceitful, fraudulent or dishonest business practice;

21 (16) Has repeatedly violated the policies and procedures of
22 the mortgage broker;

23 (17) Has failed to exercise reasonable supervision and
24 control over the activities of a mortgage agent as required by
25 NRS 645B.460;

26 (18) Has instructed a mortgage agent to commit an act that
27 would be cause for the revocation of the license of the mortgage
28 broker, whether or not the mortgage agent commits the act;

29 (19) Has employed a person as a mortgage agent or
30 authorized a person to be associated with the mortgage broker as a
31 mortgage agent at a time when the mortgage broker knew or, in light
32 of all the surrounding facts and circumstances, reasonably should
33 have known that the person:

34 (I) Had been convicted of, or entered or agreed to enter a
35 plea of guilty or nolo contendere to, a felony in a domestic, foreign
36 or military court within the 7 years immediately preceding the date
37 of application, or at any time if such felony involved an act of fraud,
38 dishonesty or a breach of trust, moral turpitude or money
39 laundering; or

40 (II) Had a license or registration as a mortgage agent,
41 mortgage banker, mortgage broker or residential mortgage loan
42 originator revoked in this State or any other jurisdiction or had a
43 financial services license or registration revoked within the
44 immediately preceding 10 years;

45 (20) Has violated NRS 645C.557;



1 (21) Has failed to pay a tax as required pursuant to the
2 provisions of chapter 363A ~~for 363C~~ of NRS; or

3 (22) Has, directly or indirectly, paid any commission, fees,
4 points or any other compensation as remuneration for the services of
5 a mortgage agent to a person other than a mortgage agent who:

6 (I) Is an employee of or associated with the mortgage
7 broker; or

8 (II) If the mortgage agent is required to register with the
9 Registry, is an employee of and whose sponsorship has been entered
10 with the Registry by the mortgage broker as required by subsection
11 2 of NRS 645B.450.

12 (c) For each violation committed by a mortgage agent, the
13 Commissioner may impose upon the mortgage agent an
14 administrative fine of not more than \$25,000, may suspend, revoke
15 or place conditions upon the mortgage agent's license, or may do
16 both, if the mortgage agent, whether or not acting as such:

17 (1) Is grossly negligent or incompetent in performing any act
18 for which the mortgage agent is required to be licensed pursuant to
19 the provisions of this chapter;

20 (2) Has made a material misrepresentation in connection
21 with any transaction governed by this chapter;

22 (3) Has suppressed or withheld from a client any material
23 facts, data or other information relating to any transaction governed
24 by the provisions of this chapter which the mortgage agent knew or,
25 by the exercise of reasonable diligence, should have known;

26 (4) Has knowingly made or caused to be made to the
27 Commissioner any false representation of material fact or has
28 suppressed or withheld from the Commissioner any information
29 which the mortgage agent possesses and which, if submitted by the
30 mortgage agent, would have rendered the mortgage agent ineligible
31 to be licensed pursuant to the provisions of this chapter;

32 (5) Has been convicted of, or entered or agreed to enter a
33 plea of guilty or nolo contendere to, a felony in a domestic, foreign
34 or military court within the 7 years immediately preceding the date
35 of the application, or at any time if such felony involved an act of
36 fraud, dishonesty or a breach of trust, moral turpitude or money
37 laundering;

38 (6) Has failed to account for or to remit any money of a
39 client within a reasonable time after a request for an accounting or
40 remittal;

41 (7) Has commingled the money or other property of a client
42 with his or her own or has converted the money or property of
43 others to his or her own use;

44 (8) Has engaged in any other conduct constituting a
45 deceitful, fraudulent or dishonest business practice;



1 (9) Has violated NRS 645C.557;

2 (10) Has repeatedly violated the policies and procedures of
3 the mortgage broker with whom the mortgage agent is associated or
4 by whom he or she is employed;

5 (11) Has, directly or indirectly, received any commission,
6 fees, points or any other compensation as remuneration for his or
7 her services as a mortgage agent:

8 (I) From a person other than the mortgage broker with
9 whom the mortgage agent is associated or by whom he or she is
10 employed; or

11 (II) If the mortgage agent is required to be registered with
12 the Registry, from a person other than the mortgage broker by
13 whom the mortgage agent is employed and on whose behalf
14 sponsorship was entered as required by subsection 2 of NRS
15 645B.450; or

16 (12) Has violated any provision of this chapter, a regulation
17 adopted pursuant to this chapter or an order of the Commissioner or
18 has assisted or offered to assist another person to commit such a
19 violation.

20 2. This section does not prohibit the co-brokering of a
21 commercial loan through the cooperation of two or more mortgage
22 brokers so long as such a transaction is not inconsistent with any
23 other provision of this chapter.

24 **Sec. 15.** NRS 645E.300 is hereby amended to read as follows:

25 645E.300 1. Subject to the administrative control of the
26 Director of the Department of Business and Industry, the
27 Commissioner shall exercise general supervision and control over
28 mortgage bankers doing business in this State.

29 2. In addition to the other duties imposed upon him or her by
30 law, the Commissioner shall:

31 (a) Adopt regulations establishing reasonable limitations and
32 guidelines on loans made by a mortgage banker to a director, officer
33 or employee of the mortgage banker.

34 (b) Adopt any other regulations that are necessary to carry out
35 the provisions of this chapter, except as to loan fees.

36 (c) Conduct such investigations as may be necessary to
37 determine whether any person has violated any provision of this
38 chapter, a regulation adopted pursuant to this chapter or an order of
39 the Commissioner.

40 (d) Except as otherwise provided in subsection 4, conduct an
41 annual examination of each mortgage banker doing business in this
42 State.

43 (e) Conduct such other examinations, periodic or special audits,
44 investigations and hearings as may be necessary for the efficient
45 administration of the laws of this State regarding mortgage bankers.



1 (f) Classify as confidential certain records and information
2 obtained by the Division when those matters are obtained from a
3 governmental agency upon the express condition that they remain
4 confidential. This paragraph does not limit examination by:

5 (1) The Legislative Auditor; or

6 (2) The Department of Taxation if necessary to carry out the
7 provisions of ~~chapters~~ **chapter** 363A ~~and 363C~~ of NRS.

8 (g) Conduct such examinations and investigations as are
9 necessary to ensure that mortgage bankers meet the requirements of
10 this chapter for obtaining a license, both at the time of the
11 application for a license and thereafter on a continuing basis.

12 3. For each special audit, investigation or examination, a
13 mortgage banker shall pay a fee based on the rate established
14 pursuant to NRS 645F.280.

15 4. The Commissioner may conduct biennial examinations of a
16 mortgage banker instead of annual examinations, as described in
17 paragraph (d) of subsection 2, if the mortgage banker:

18 (a) Received a rating in the last annual examination that meets a
19 threshold determined by the Commissioner;

20 (b) Has not had any adverse change in financial condition since
21 the last annual examination, as shown by financial statements of the
22 mortgage banker; and

23 (c) Has not had any complaints received by the Division that
24 resulted in any administrative action by the Division.

25 **Sec. 16.** NRS 645E.670 is hereby amended to read as follows:

26 645E.670 1. For each violation committed by an applicant,
27 whether or not the applicant is issued a license, the Commissioner
28 may impose upon the applicant an administrative fine of not more
29 than \$25,000 if the applicant:

30 (a) Has knowingly made or caused to be made to the
31 Commissioner any false representation of material fact;

32 (b) Has suppressed or withheld from the Commissioner any
33 information which the applicant possesses and which, if submitted
34 by the applicant, would have rendered the applicant ineligible to be
35 licensed pursuant to the provisions of this chapter; or

36 (c) Has violated any provision of this chapter, a regulation
37 adopted pursuant to this chapter or an order of the Commissioner in
38 completing and filing his or her application for a license or during
39 the course of the investigation of his or her application for a license.

40 2. For each violation committed by a licensee, the
41 Commissioner may impose upon the licensee an administrative fine
42 of not more than \$25,000, may suspend, revoke or place conditions
43 upon the license, or may do both, if the licensee, whether or not
44 acting as such:

45 (a) Is insolvent;



- 1 (b) Is grossly negligent or incompetent in performing any act for
2 which the licensee is required to be licensed pursuant to the
3 provisions of this chapter;
- 4 (c) Does not conduct his or her business in accordance with law
5 or has violated any provision of this chapter, a regulation adopted
6 pursuant to this chapter or an order of the Commissioner;
- 7 (d) Is in such financial condition that the licensee cannot
8 continue in business with safety to his or her customers;
- 9 (e) Has made a material misrepresentation in connection with
10 any transaction governed by this chapter;
- 11 (f) Has suppressed or withheld from a client any material facts,
12 data or other information relating to any transaction governed by the
13 provisions of this chapter which the licensee knew or, by the
14 exercise of reasonable diligence, should have known;
- 15 (g) Has knowingly made or caused to be made to the
16 Commissioner any false representation of material fact or has
17 suppressed or withheld from the Commissioner any information
18 which the licensee possesses and which, if submitted by the
19 licensee, would have rendered the licensee ineligible to be licensed
20 pursuant to the provisions of this chapter;
- 21 (h) Has failed to account to persons interested for all money
22 received for a trust account;
- 23 (i) Has refused to permit an examination by the Commissioner
24 of his or her books and affairs or has refused or failed, within a
25 reasonable time, to furnish any information or make any report that
26 may be required by the Commissioner pursuant to the provisions of
27 this chapter or a regulation adopted pursuant to this chapter;
- 28 (j) Has been convicted of, or entered or agreed to enter a plea of
29 nolo contendere to, a felony in a domestic, foreign or military court
30 within the 7 years immediately preceding the date of the application,
31 or at any time if such felony involved an act of fraud, dishonesty or
32 a breach of trust, moral turpitude or money laundering;
- 33 (k) Has refused or failed to pay, within a reasonable time, any
34 fees, assessments, costs or expenses that the licensee is required to
35 pay pursuant to this chapter or a regulation adopted pursuant to this
36 chapter;
- 37 (l) Has failed to pay a tax as required pursuant to the provisions
38 of chapter 363A ~~for 363C~~ of NRS;
- 39 (m) Has failed to satisfy a claim made by a client which has
40 been reduced to judgment;
- 41 (n) Has failed to account for or to remit any money of a client
42 within a reasonable time after a request for an accounting or
43 remittal;
- 44 (o) Has violated NRS 645C.557;



1 (p) Has commingled the money or other property of a client
2 with his or her own or has converted the money or property of
3 others to his or her own use; or

4 (q) Has engaged in any other conduct constituting a deceitful,
5 fraudulent or dishonest business practice.

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

8 **Sec. 17.** NRS 658.151 is hereby amended to read as follows:

9 658.151 1. The Commissioner may forthwith take possession
10 of the business and property of any depository institution to which
11 this title or title 56 of NRS applies when it appears that the
12 depository institution:

13 (a) Has violated its charter or any laws applicable thereto.

14 (b) Is conducting its business in an unauthorized or unsafe
15 manner.

16 (c) Is in an unsafe or unsound condition to transact its business.

17 (d) Has an impairment of its stockholders' or members' equity.

18 (e) Has refused to pay its depositors in accordance with the
19 terms on which such deposits were received, or has refused to pay
20 its holders of certificates of indebtedness or investment in
21 accordance with the terms upon which those certificates of
22 indebtedness or investment were sold.

23 (f) Has become or is in imminent danger of becoming otherwise
24 insolvent.

25 (g) Has neglected or refused to comply with the terms of a
26 lawful order of the Commissioner.

27 (h) Has refused, upon proper demand, to submit its records,
28 affairs and concerns for inspection and examination of an appointed
29 or authorized examiner of the Commissioner.

30 (i) Has made a voluntary assignment of its assets to trustees.

31 (j) Has failed to pay a tax as required pursuant to the provisions
32 of chapter 363A ~~for 363C~~ of NRS.

33 2. The Commissioner also may forthwith take possession of the
34 business and property of any depository institution to which this title
35 or title 56 of NRS applies when it appears that the officers of the
36 depository institution have refused to be examined upon oath
37 regarding its affairs.

38 **Sec. 18.** NRS 665.133 is hereby amended to read as follows:

39 665.133 1. The records and information described in NRS
40 665.130 may be disclosed to:

41 (a) An agency of the Federal Government or of another state
42 which regulates the financial institution which is the subject of the
43 records or information;

44 (b) The Director of the Department of Business and Industry for
45 the Director's confidential use;



1 (c) The State Board of Finance for its confidential use, if the
2 report or other information is necessary for the State Board of
3 Finance to perform its duties under this title;

4 (d) The Department of Taxation for its use in carrying out the
5 provisions of ~~chapters~~ **chapter** 363A ~~and 363C~~ of NRS;

6 (e) An entity which insures or guarantees deposits;

7 (f) A public officer authorized to investigate criminal charges in
8 connection with the affairs of the depository institution;

9 (g) A person preparing a proposal for merging with or acquiring
10 an institution or holding company, but only after notice of the
11 disclosure has been given to the institution or holding company;

12 (h) Any person to whom the subject of the report has authorized
13 the disclosure;

14 (i) Any other person if the Commissioner determines, after
15 notice and opportunity for hearing, that disclosure is in the public
16 interest and outweighs any potential harm to the depository
17 institution and its stockholders, members, depositors and creditors;
18 and

19 (j) Any court in a proceeding initiated by the Commissioner
20 concerning the financial institution.

21 2. All the reports made available pursuant to this section
22 remain the property of the Division of Financial Institutions, and no
23 person, agency or authority to whom the reports are made available,
24 or any officer, director or employee thereof, may disclose any of the
25 reports or any information contained therein, except in published
26 statistical material that does not disclose the affairs of any natural
27 person or corporation.

28 **Sec. 19.** NRS 669.275 is hereby amended to read as follows:

29 669.275 1. The Commissioner may require a licensee to
30 provide an audited financial statement prepared by an independent
31 certified public accountant licensed to do business in this State.

32 2. On the fourth Monday in January of each year, each licensee
33 shall submit to the Commissioner a list of stockholders required to
34 be maintained pursuant to paragraph (c) of subsection 1 of NRS
35 78.105 or the list of members required to be maintained pursuant to
36 paragraph (a) of subsection 1 of NRS 86.241, verified by the
37 president or a manager, as appropriate.

38 3. The list of members required to be maintained pursuant to
39 paragraph (a) of subsection 1 of NRS 86.241 must include the
40 percentage of each member's interest in the company, in addition to
41 the requirements set forth in that section.

42 4. Except as otherwise provided in NRS 239.0115, any
43 document submitted pursuant to this section is confidential. ~~This~~
44 ~~subsection does not limit the examination of any document by the~~



1 ~~Department of Taxation if necessary to carry out the provisions of~~
2 ~~chapter 363C of NRS.~~

3 **Sec. 20.** NRS 669.2825 is hereby amended to read as follows:

4 669.2825 1. The Commissioner may institute disciplinary
5 action or forthwith initiate proceedings to take possession of the
6 business and property of any retail trust company when it appears
7 that the retail trust company:

8 (a) Has violated its charter or any state or federal laws
9 applicable to the business of a trust company.

10 (b) Is conducting its business in an unauthorized or unsafe
11 manner.

12 (c) Is in an unsafe or unsound condition to transact its business.

13 (d) Has an impairment of its stockholders' equity.

14 (e) Has refused to pay or transfer account assets to its account
15 holders as required by the terms of the accounts' governing
16 instruments.

17 (f) Has become insolvent.

18 (g) Has neglected or refused to comply with the terms of a
19 lawful order of the Commissioner.

20 (h) Has refused, upon proper demand, to submit its records,
21 affairs and concerns for inspection and examination of an appointed
22 or authorized examiner of the Commissioner.

23 (i) Has made a voluntary assignment of its assets to receivers,
24 conservators, trustees or creditors without complying with
25 NRS 669.230.

26 (j) Has failed to pay a tax as required pursuant to the provisions
27 of chapter 363A ~~for 363C~~ of NRS.

28 (k) Has materially and willfully breached its fiduciary duties to
29 its customers.

30 (l) Has failed to properly disclose all fees, interest and other
31 charges to its customers.

32 (m) Has willfully engaged in material conflicts of interest
33 regarding a customer's account.

34 (n) Has made intentional material misrepresentations regarding
35 any aspect of the services performed or proposed to be performed by
36 the retail trust company.

37 2. The Commissioner also may forthwith initiate proceedings
38 to take possession of the business and property of any trust company
39 when it appears that the officers of the trust company have refused
40 to be examined upon oath regarding its affairs.

41 **Sec. 21.** NRS 669.2847 is hereby amended to read as follows:

42 669.2847 1. If the Commissioner has reason to believe that
43 grounds for revocation or suspension of a license exist, the
44 Commissioner shall give at least 20 days' written notice to the



1 licensee stating the contemplated action and, in general, the grounds
2 therefor and set a date for a hearing.

3 2. At the conclusion of a hearing, the Commissioner shall:

4 (a) Enter a written order dismissing the charges, revoking the
5 license or suspending the license for a period of not more than 60
6 days, which period must include any prior temporary suspension.
7 The Commissioner shall send a copy of the order to the licensee by
8 registered or certified mail.

9 (b) Impose upon the licensee an administrative fine of not more
10 than \$10,000 for each violation by the licensee of any provision of
11 this chapter or any regulation adopted pursuant thereto.

12 (c) If a fine is imposed pursuant to this section, enter such order
13 as is necessary to recover the costs of the proceeding, including his
14 or her investigative costs and attorney's fees.

15 3. The grounds for revocation or suspension of a license are
16 that:

17 (a) The licensee has failed to pay the annual license fee;

18 (b) The licensee, either knowingly or without any exercise of
19 due care to prevent it, has violated any provision of this chapter or
20 any regulation adopted pursuant thereto or any lawful order of the
21 Division of Financial Institutions;

22 (c) The licensee has failed to pay a tax as required pursuant to
23 the provisions of chapter 363A ~~for 363C~~ of NRS;

24 (d) Any fact or condition exists which would have justified the
25 Commissioner in denying the licensee's original application for a
26 license pursuant to the provisions of this chapter; or

27 (e) The licensee:

28 (1) Failed to open an office for the conduct of the business
29 authorized by his or her license within 180 days after the date the
30 license was issued; or

31 (2) Has failed to remain open for the conduct of the business
32 for a period of 30 days without good cause therefor.

33 4. An order suspending or revoking a license becomes effective
34 5 days after being entered unless the order specifies otherwise or a
35 stay is granted.

36 **Sec. 22.** NRS 669.285 is hereby amended to read as follows:

37 669.285 Except as otherwise provided in NRS 239.0115, any
38 application and personal or financial records submitted by a person
39 pursuant to the provisions of this chapter and any personal or
40 financial records or other documents obtained by the Division of
41 Financial Institutions pursuant to an examination or audit conducted
42 by the Division are confidential and may be disclosed only to:

43 1. The Division, any authorized employee of the Division and
44 any state or federal agency investigating the activities covered under
45 the provisions of this chapter; *and*



1 2. ~~The Department of Taxation for its use in carrying out the~~
2 ~~provisions of chapter 363C of NRS; and~~

3 ~~—3.1~~ Any person when the Commissioner, in the
4 Commissioner's discretion, determines that the interests of the
5 public that would be protected by disclosure outweigh the interest of
6 any person in the confidential information not being disclosed.

7 **Sec. 23.** NRS 669A.310 is hereby amended to read as follows:

8 669A.310 1. Except as otherwise provided in this section,
9 any application and personal or financial records submitted by a
10 person pursuant to the provisions of this chapter, any personal or
11 financial records or other documents obtained by the Division of
12 Financial Institutions pursuant to an examination or audit conducted
13 by the Division pursuant to this chapter and any other private
14 information relating to a family trust company are confidential and
15 may be disclosed only to:

16 (a) The Division, any authorized employee of the Division and a
17 state or federal agency investigating activities regulated pursuant to
18 this chapter; *and*

19 (b) ~~The Department of Taxation for its use in carrying out the~~
20 ~~provisions of chapter 363C of NRS; and~~

21 ~~(c)~~ Any other person if the Commissioner, in the
22 Commissioner's discretion, determines that the interests of the
23 public in disclosing the information outweigh the interests of
24 the person about whom the information pertains in not disclosing
25 the information.

26 2. The Commissioner shall give to the family trust company to
27 which the information relates 10-days' prior written notice of intent
28 to disclose confidential information directly or indirectly to a person
29 pursuant to paragraph ~~(c)~~ (b) of subsection 1. Any family trust
30 company which receives such a notice may object to the disclosure
31 of the confidential information and will be afforded the right to a
32 hearing in accordance with the provisions of chapter 233B of NRS.
33 If a family trust company requests a hearing, the Commissioner may
34 not reveal confidential information prior to the conclusion of the
35 hearing and a ruling. Prior to dissemination of any confidential
36 information, the Commissioner shall require a written agreement not
37 to reveal the confidential information by the party receiving the
38 confidential information. In no event shall the Commissioner
39 disclose confidential information to the general public, any
40 competitor or any potential competitor of a family trust company.

41 3. Nothing in this chapter is intended to preclude a law
42 enforcement officer from gaining access to otherwise confidential
43 records by subpoena, court order, search warrant or other lawful
44 means. Notwithstanding any other provision of this chapter, the
45 Commissioner shall have the ability to share information with other



1 out of state or federal regulators with whom the Department of
2 Business and Industry has an agreement regarding the sharing of
3 information. Nothing in this chapter is intended to preclude any
4 agency of this State from gaining access to otherwise confidential
5 records in accordance with any applicable law.

6 **Sec. 24.** NRS 673.484 is hereby amended to read as follows:

7 673.484 The Commissioner may after notice and hearing
8 suspend or revoke the charter of any association for:

9 1. Repeated failure to abide by the provisions of this chapter or
10 the regulations adopted thereunder.

11 2. Failure to pay a tax as required pursuant to the provisions of
12 chapter 363A ~~for 363C~~ of NRS.

13 **Sec. 25.** NRS 675.440 is hereby amended to read as follows:

14 675.440 1. If the Commissioner has reason to believe that
15 grounds for revocation or suspension of a license exist, he or she
16 shall give 20 days' written notice to the licensee stating the
17 contemplated action and, in general, the grounds therefor and set a
18 date for a hearing.

19 2. At the conclusion of a hearing, the Commissioner shall:

20 (a) Enter a written order either dismissing the charges, revoking
21 the license, or suspending the license for a period of not more than
22 60 days, which period must include any prior temporary suspension.
23 A copy of the order must be sent by registered or certified mail to
24 the licensee.

25 (b) Impose upon the licensee an administrative fine of not more
26 than \$10,000 for each violation by the licensee of any provision of
27 this chapter or any lawful regulation adopted under it.

28 (c) If a fine is imposed pursuant to this section, enter such order
29 as is necessary to recover the costs of the proceeding, including his
30 or her investigative costs and attorney's fees.

31 3. The grounds for revocation or suspension of a license are
32 that:

33 (a) The licensee has failed to pay the annual license fee;

34 (b) The licensee, either knowingly or without any exercise of
35 due care to prevent it, has violated any provision of this chapter or
36 any lawful regulation adopted under it;

37 (c) The licensee has failed to pay a tax as required pursuant to
38 the provisions of chapter 363A ~~for 363C~~ of NRS;

39 (d) Any fact or condition exists which would have justified the
40 Commissioner in denying the licensee's original application for a
41 license hereunder; or

42 (e) The applicant failed to open an office for the conduct of the
43 business authorized under this chapter within 120 days after the date
44 the license was issued, or has failed to remain open for the conduct
45 of the business for a period of 120 days without good cause therefor.



1 4. Any revocation or suspension applies only to the license
2 granted to a person for the particular office for which grounds for
3 revocation or suspension exist.

4 5. An order suspending or revoking a license becomes effective
5 5 days after being entered unless the order specifies otherwise or a
6 stay is granted.

7 **Sec. 26.** NRS 677.510 is hereby amended to read as follows:

8 677.510 1. If the Commissioner has reason to believe that
9 grounds for revocation or suspension of a license exist, he or she
10 shall give 20 days' written notice to the licensee stating the
11 contemplated action and, in general, the grounds therefor and set a
12 date for a hearing.

13 2. At the conclusion of a hearing, the Commissioner shall:

14 (a) Enter a written order either dismissing the charges, or
15 revoking the license, or suspending the license for a period of not
16 more than 60 days, which period must include any prior temporary
17 suspension. A copy of the order must be sent by registered or
18 certified mail to the licensee.

19 (b) Impose upon the licensee an administrative fine of not more
20 than \$10,000 for each violation by the licensee of any provision of
21 this chapter or any lawful regulation adopted pursuant thereto.

22 (c) If a fine is imposed pursuant to this section, enter such order
23 as is necessary to recover the costs of the proceeding, including his
24 or her investigative costs and attorney's fees.

25 3. The grounds for revocation or suspension of a license are
26 that:

27 (a) The licensee has failed to pay the annual license fee;

28 (b) The licensee, either knowingly or without any exercise of
29 due care to prevent it, has violated any provision of this chapter, or
30 any lawful regulation adopted pursuant thereto;

31 (c) The licensee has failed to pay a tax as required pursuant to
32 the provisions of chapter 363A ~~for 363C~~ of NRS;

33 (d) Any fact or condition exists which would have justified the
34 Commissioner in denying the licensee's original application for a
35 license hereunder; or

36 (e) The applicant failed to open an office for the conduct of the
37 business authorized under this chapter within 120 days after the date
38 the license was issued, or has failed to remain open for the conduct
39 of the business for a period of 120 days without good cause therefor.

40 4. Any revocation or suspension applies only to the license
41 granted to a person for the particular office for which grounds for
42 revocation or suspension exist.

43 5. An order suspending or revoking a license becomes effective
44 5 days after being entered unless the order specifies otherwise or a
45 stay is granted.



1 **Sec. 27.** NRS 680B.037 is hereby amended to read as follows:

2 680B.037 ~~1. Except as otherwise provided in subsection 2,~~
3 ~~payment~~ **Payment** by an insurer of the tax imposed by NRS
4 680B.027 is in lieu of all taxes imposed by the State or any city,
5 town or county upon premiums or upon income of insurers and of
6 franchise, privilege or other taxes measured by income of the
7 insurer.

8 ~~2. The provisions of subsection 1 do not apply to the~~
9 ~~commerce tax imposed pursuant to the provisions of chapter 363C~~
10 ~~of NRS.~~

11 **Sec. 28.** NRS 686C.360 is hereby amended to read as follows:

12 686C.360 The Association is exempt from payment of all fees
13 and all taxes levied by this state or any of its political subdivisions,
14 except taxes on property . ~~and the commerce tax imposed pursuant~~
15 ~~to chapter 363C of NRS.~~

16 **Sec. 29.** NRS 687A.130 is hereby amended to read as follows:

17 687A.130 The Association is exempt from payment of all fees
18 and all taxes levied by this State or any of its subdivisions, except
19 taxes:

20 1. Levied on real or personal property; or

21 2. Imposed pursuant to the provisions of chapter 363A ~~or~~
22 363B ~~or 363C~~ of NRS.

23 **Sec. 30.** NRS 688C.210 is hereby amended to read as follows:

24 688C.210 1. After notice, and after a hearing if requested, the
25 Commissioner may suspend, revoke, refuse to issue or refuse to
26 renew a license under this chapter if the Commissioner finds that:

27 (a) There was material misrepresentation in the application for
28 the license;

29 (b) The licensee or an officer, partner, member or significant
30 managerial employee has been convicted of fraudulent or dishonest
31 practices, is subject to a final administrative action for
32 disqualification, or is otherwise shown to be untrustworthy or
33 incompetent;

34 (c) A provider of viatical settlements has engaged in a pattern of
35 unreasonable payments to viators;

36 (d) The applicant or licensee has been found guilty or guilty but
37 mentally ill of, or pleaded guilty, guilty but mentally ill or nolo
38 contendere to, a felony or a misdemeanor involving fraud, forgery,
39 embezzlement, obtaining money under false pretenses, larceny,
40 extortion, conspiracy to defraud or any crime involving moral
41 turpitude, whether or not a judgment of conviction has been entered
42 by the court;

43 (e) A provider of viatical settlements has entered into a viatical
44 settlement in a form not approved pursuant to NRS 688C.220;



1 (f) A provider of viatical settlements has failed to honor
2 obligations of a viatical settlement or an agreement to purchase a
3 viatical settlement;

4 (g) The licensee no longer meets a requirement for initial
5 licensure;

6 (h) A provider of viatical settlements has assigned, transferred
7 or pledged a viaticated policy to a person other than another
8 provider licensed under this chapter, a purchaser of the viatical
9 settlement or a special organization;

10 (i) The applicant or licensee has provided materially untrue
11 information to an insurer that issued a policy that is the subject of a
12 viatical settlement;

13 (j) The applicant or licensee has failed to pay a tax as required
14 pursuant to the provisions of chapter 363A ~~for 363C~~ of NRS;

15 (k) The applicant or licensee has violated a provision of this
16 chapter or other applicable provisions; or

17 (l) The applicant or licensee has acted in bad faith with regard to
18 a viator.

19 2. A suspension imposed for grounds set forth in paragraph (k)
20 or (l) of subsection 1 must not exceed a period of 12 months.

21 3. If the Commissioner takes action as described in subsection
22 1, the applicant or licensee may apply in writing for a hearing before
23 the Commissioner to determine the reasonableness of the action
24 taken by the Commissioner, pursuant to the provisions of NRS
25 679B.310 to 679B.370, inclusive.

26 **Sec. 31.** NRS 694C.450 is hereby amended to read as follows:

27 694C.450 1. Except as otherwise provided in this section, a
28 captive insurer shall pay to the Division, not later than March 1 of
29 each year, a tax at the rate of:

30 (a) Two-fifths of 1 percent on the first \$20,000,000 of its net
31 direct premiums;

32 (b) One-fifth of 1 percent on the next \$20,000,000 of its net
33 direct premiums; and

34 (c) Seventy-five thousandths of 1 percent on each additional
35 dollar of its net direct premiums.

36 2. Except as otherwise provided in this section, a captive
37 insurer shall pay to the Division, not later than March 1 of each
38 year, a tax at a rate of:

39 (a) Two hundred twenty-five thousandths of 1 percent on the
40 first \$20,000,000 of revenue from assumed reinsurance premiums;

41 (b) One hundred fifty thousandths of 1 percent on the next
42 \$20,000,000 of revenue from assumed reinsurance premiums; and

43 (c) Twenty-five thousandths of 1 percent on each additional
44 dollar of revenue from assumed reinsurance premiums.



1 ↳ The tax on reinsurance premiums pursuant to this subsection
2 must not be levied on premiums for risks or portions of risks which
3 are subject to taxation on a direct basis pursuant to subsection 1. A
4 captive insurer is not required to pay any reinsurance premium tax
5 pursuant to this subsection on revenue related to the receipt of assets
6 by the captive insurer in exchange for the assumption of loss
7 reserves and other liabilities of another insurer that is under
8 common ownership and control with the captive insurer, if the
9 transaction is part of a plan to discontinue the operation of the other
10 insurer and the intent of the parties to the transaction is to renew or
11 maintain such business with the captive insurer.

12 3. If the sum of the taxes to be paid by a captive insurer
13 calculated pursuant to subsections 1 and 2 is less than \$5,000 in any
14 given year, the captive insurer shall pay a tax of \$5,000 for that
15 year. The maximum aggregate tax for any year must not exceed
16 \$175,000. The maximum aggregate tax to be paid by a sponsored
17 captive insurer applies only to each protected cell and does not
18 apply to the sponsored captive insurer as a whole.

19 4. Two or more captive insurers under common ownership and
20 control must be taxed as if they were a single captive insurer.

21 5. Notwithstanding any specific statute to the contrary and
22 except as otherwise provided in this subsection, the tax provided for
23 by this section constitutes all the taxes collectible pursuant to the
24 laws of this State from a captive insurer, and no occupation tax or
25 other taxes may be levied or collected from a captive insurer by this
26 State or by any county, city or municipality within this State, except
27 for taxes imposed pursuant to chapter 363A ~~H~~ or 363B ~~for 363C~~ of
28 NRS and ad valorem taxes on real or personal property located in
29 this State used in the production of income by the captive insurer.

30 6. Twenty-five percent of the revenues collected from the tax
31 imposed pursuant to this section must be deposited with the State
32 Treasurer for credit to the Account for the Regulation and
33 Supervision of Captive Insurers created pursuant to NRS 694C.460.
34 The remaining 75 percent of the revenues collected must be
35 deposited with the State Treasurer for credit to the State General
36 Fund.

37 7. A captive insurer that is issued a license pursuant to this
38 chapter after July 1, 2003, is entitled to receive a nonrefundable
39 credit of \$5,000 applied against the aggregate taxes owed by the
40 captive insurer for the first year in which the captive insurer incurs
41 any liability for the payment of taxes pursuant to this section. A
42 captive insurer is entitled to a nonrefundable credit pursuant to this
43 section not more than once after the captive insurer is initially
44 licensed pursuant to this chapter.



1 8. As used in this section, unless the context otherwise
2 requires:

3 (a) "Common ownership and control" means:

4 (1) In the case of a stock insurer, the direct or indirect
5 ownership of 80 percent or more of the outstanding voting stock of
6 two or more corporations by the same member or members.

7 (2) In the case of a mutual insurer, the direct or indirect
8 ownership of 80 percent or more of the surplus and the voting power
9 of two or more corporations by the same member or members.

10 (b) "Net direct premiums" means the direct premiums collected
11 or contracted for on policies or contracts of insurance written by a
12 captive insurer during the preceding calendar year, less the amounts
13 paid to policyholders as return premiums, including dividends on
14 unabsorbed premiums or premium deposits returned or credited to
15 policyholders.

16 **Sec. 32.** NRS 695A.550 is hereby amended to read as follows:

17 695A.550 Every society organized or licensed under this
18 chapter is hereby declared to be a charitable and benevolent
19 institution, and is exempt from every state, county, district,
20 municipal and school tax other than ~~the commerce tax imposed~~
21 ~~pursuant to chapter 363C of NRS and~~ taxes on real property and
22 office equipment.

23 **Sec. 33.** The amendatory provisions of this act do not apply to
24 any taxes due for any taxable year ending on or before July 1, 2017.

25 **Sec. 34.** NRS 360.203, 363C.010, 363C.015, 363C.020,
26 363C.025, 363C.030, 363C.035, 363C.040, 363C.045, 363C.050,
27 363C.055, 363C.060, 363C.065, 363C.070, 363C.075, 363C.080,
28 363C.085, 363C.090, 363C.093, 363C.097, 363C.100, 363C.110,
29 363C.120, 363C.130, 363C.140, 363C.200, 363C.210, 363C.220,
30 363C.300, 363C.310, 363C.320, 363C.330, 363C.340, 363C.350,
31 363C.360, 363C.370, 363C.380, 363C.390, 363C.400, 363C.410,
32 363C.420, 363C.430, 363C.440, 363C.450, 363C.460, 363C.470,
33 363C.480, 363C.490, 363C.500, 363C.510, 363C.520, 363C.530,
34 363C.540, 363C.550, 363C.560, 363C.600, 363C.610, 363C.620,
35 363C.630, 363C.640, 363C.650, 363C.660, 363C.670, 363C.680,
36 363C.690 and 363C.700 are hereby repealed.

37 **Sec. 35.** This act becomes effective on July 1, 2017.

LEADLINES OF REPEALED SECTIONS

**360.203 Reduction of rate of certain taxes on business
under certain circumstances; duties of Department.**



* A B 2 6 3 *

- 363C.010 Definitions.
- 363C.015 "Business" defined.
- 363C.020 "Business entity" defined.
- 363C.025 "Commerce tax" defined.
- 363C.030 "Credit sales" defined.
- 363C.035 "Engaging in a business" defined.
- 363C.040 "Governmental entity" defined.
- 363C.045 "Gross revenue" defined.
- 363C.050 "Loan" defined.
- 363C.055 "Nevada gross revenue" defined.
- 363C.060 "North American Industry Classification System" and "NAICS" defined.
- 363C.065 "Pass-through entity" defined.
- 363C.070 "Pass-through revenue" defined.
- 363C.075 "Securities" defined.
- 363C.080 "Taxable year" defined.
- 363C.085 "Wages" defined.
- 363C.090 References to Internal Revenue Code.
- 363C.093 Businesses constituting passive entities.
- 363C.097 Determination of business category.
- 363C.100 Duties of Department.
- 363C.110 Maintenance and availability of records of taxpayer; regulations.
- 363C.120 Examination of records by Department; payment of expenses of Department for examination of records outside this State.
- 363C.130 Authority of Executive Director to request information from other agencies and officers; confidentiality.
- 363C.140 Method of accounting.
- 363C.200 Imposition; payment of tax; filing of report; extension of time for payment; payment of interest during period of extension.
- 363C.210 Deductions from gross revenue.
- 363C.220 Situs.
- 363C.300 Rate of tax based on business category in which business entity is primarily engaged.
- 363C.310 Agriculture, forestry, fishing and hunting (NAICS 11).
- 363C.320 Mining, quarrying and oil and gas extraction (NAICS 21).
- 363C.330 Utilities and telecommunications (NAICS 22 and 517).
- 363C.340 Construction (NAICS 23).
- 363C.350 Manufacturing (NAICS 31, 32 and 33).
- 363C.360 Wholesale trade (NAICS 42).



- 363C.370 Retail trade (NAICS 44 and 45).
- 363C.380 Air transportation (NAICS 481).
- 363C.390 Rail transportation (NAICS 482).
- 363C.400 Other transportation (NAICS 483, 485, 486, 487, 488, 491 and 492).
- 363C.410 Truck transportation (NAICS 484).
- 363C.420 Warehousing and storage (NAICS 493).
- 363C.430 Publishing, software and data processing (NAICS 511, 512, 515 and 518).
- 363C.440 Finance and insurance (NAICS 52).
- 363C.450 Real estate and rental and leasing (NAICS 53).
- 363C.460 Professional, scientific and technical services (NAICS 54).
- 363C.470 Management of companies and enterprises (NAICS 55).
- 363C.480 Administrative and support services (NAICS 561).
- 363C.490 Waste management and remediation services (NAICS 562).
- 363C.500 Educational services (NAICS 61).
- 363C.510 Health care and social assistance (NAICS 62).
- 363C.520 Arts, entertainment and recreation (NAICS 71).
- 363C.530 Accommodation (NAICS 721).
- 363C.540 Food services and drinking places (NAICS 722).
- 363C.550 Other services (NAICS 81).
- 363C.560 Unclassified business entities.
- 363C.600 Certification of excess amount collected; credit and refund.
- 363C.610 Limitations on claims for refund or credit; form and contents of claim; failure to file claim constitutes waiver; service of notice of rejection of claim.
- 363C.620 Interest on overpayments; disallowance of interest.
- 363C.630 Injunction or other process to prevent collection of tax prohibited; filing of claim is condition precedent to maintaining action for refund.
- 363C.640 Action for refund: Period for commencement; venue; waiver.
- 363C.650 Rights of claimant upon failure of Department to mail notice of action on claim; allocation of judgment for claimant.
- 363C.660 Allowance of interest in judgment for amount illegally collected.
- 363C.670 Standing to recover.



- 363C.680 Action for recovery of erroneous refund:
Jurisdiction; venue; prosecution.**
- 363C.690 Cancellation of illegal determination.**
- 363C.700 Remedies of State are cumulative.**

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