

DISCLAIMER

Electronic versions of the exhibits in these minutes may not be complete.

This information is supplied as an informational service only and should not be relied upon as an official record.

Original exhibits are on file at the Legislative Counsel Bureau Research Library in Carson City.

Contact the Library at (775) 684-6827 or library@lcb.state.nv.us.

Nevada State Controller's Office

Proposed Amendment to SB382

**Proposed Amendment to SB 382, Section 161
By The State Controller's Office**

Section 161. Chapter 353C of NRS is hereby amended to read as follows:

1. Except as otherwise provided in this section, upon the determination that a debt owed by a person to an agency or the State of Nevada is in default, the State Controller shall notify each agency which has issued a license, permit or registration to the person.

2. If an agency receives a notice from the State Controller pursuant to subsection 1 that a person to whom the agency has issued a license, permit or registration is in default on a debt owed to an agency or the State of Nevada, the agency to whom the debt is owed shall send a written notice to that person advising him that his license, permit or registration is subject to suspension, cancellation or refusal to renew.

The notice must include:

(a) The reason for the suspension, cancellation or refusal to renew the license, permit or registration;

(b) The text of this section; and

(c) Any other information that the agency deems necessary.

3. After sending the written notice required pursuant to subsection 2, the agency which has issued a license, permit or registration to the person may suspend, cancel or refuse to renew the license, permit or registration issued to the person. This agency shall reinstate such a license, permit or registration if the agency receives:

(a) A notice from the State Controller that the person has:

(1) Paid the debt, including all penalties, interest, costs and fees, if any;

(2) Entered into an agreement for the payment of the debt on an installment basis pursuant to NRS 353C.130; or

(3) Obtained a discharge in bankruptcy of the debt; and

(b) Payment of any fee specifically prescribed by statute or regulation for the reinstatement of the license, permit or registration.

4. For the purposes of this section, "agency" does not include the Department of Taxation, Nevada Gaming Commission or State Gaming Control Board.

5. As used in this section, "license, permit or registration" includes, without limitation:

(a) A professional, occupational or recreational license, permit, certificate or registration;

(b) A driver's license; and

(c) A registration for a vehicle or boat.

6. The State Controller shall adopt regulations establishing a fee of \$25 that an agency shall charge a person for each check or draft returned to the agency because the person had insufficient money or credit with the drawee to pay the check or draft, or because the person stopped payment on the check or draft.

7. Notwithstanding any specific statute or regulation to the contrary, an agency may only charge and collect a fee for a check or draft returned to the agency because the person has insufficient money or credit, or because the person stopped payment on the check or draft, in accordance with the regulations adopted by the State Controller pursuant to this section.

8. For the purposes of this section, "agency" does not include the Department of Taxation, Nevada Gaming Commission or State Gaming Control Board.

NRS 353C.110 is hereby amended to read as follows:

353C.110 The ~~{Director of the Department of Administration and the Attorney General may jointly}~~ *State Controller shall* adopt such regulations as *the State Controller determines* are necessary to carry out the provisions of this chapter.

NRS 353C.120 is hereby amended to read as follows:

353C.120 1. Each agency shall submit to the State Controller periodic reports of the debts owed to the agency. The State Controller shall ~~{maintain}~~ :

(a) *Maintain* the reports to the extent that resources are available~~}. The Director of the Department of Administration and the Attorney General shall jointly prescribe~~ ; *and*

(b) *Prescribe* the time, form and manner of the reports.

2. Except *as otherwise provided in subsection 3 and* to the extent that the information on the reports is declared to be confidential by a specific statute of this state or federal law, the State Controller shall make the reports available for public inspection and may, without charge, make available for access on the Internet or its successor, if any, the information contained in the reports.

3. *If a report or a portion of a report pertains to a debt that is proven to be owed and not in dispute, the State Controller may, except to the extent that the report or portion thereof is declared to be confidential by federal law:*

(a) *Make the report or portion thereof available for public inspection; and*

(b) *Without charge, make the report or portion thereof available for access on the Internet or its successor, if any. The provisions of this subsection apply regardless of whether the report in question or portion thereof is otherwise declared to be confidential by a specific statute of this state.*

NRS 353C.130 is hereby amended to read as follows:

353C.130 ~~{An}~~ 1. *The State Controller or an agency may enter into an agreement with a debtor which provides for the payment of a debt owed by the debtor to the State Controller or the agency on an installment basis over a 12-month or lesser period.*

2. Upon good cause shown by the debtor, the *State Controller or the agency may extend the period during which installment payments will be made for more than a 12-month period.*

NRS 353C.135 is hereby amended to read as follows:

353C.135 1. Except as otherwise provided by specific statute ~~{}~~ *and subsection 2*, a person who owes a debt ~~{of more than \$200}~~ pursuant to this chapter shall, in addition to the debt, pay as reimbursement for the costs and fees actually incurred to collect the debt an amount not to exceed 25 percent of the amount of the debt or ~~[\$25,000,]~~ **\$50,000**, whichever is less. Any prejudgment or postjudgment interest on the debt authorized by law must not be included in the calculation of the costs and fees actually incurred to collect the debt.

2. *If a debtor:*

(a) Makes a partial payment on an agreement between the State Controller and the debtor, contrary to the agreement;
or

(b) Defaults on an installment payment for which the State Controller extended the period of payment to more than 12 months pursuant to subsection 2 of NRS 353C.130, twelve months or more after the payment was due, the State Controller may assess costs and fees for any payment made more than 12 months after the first payment. The cumulative amount of costs and fees paid pursuant to this subsection may exceed the maximum amount set forth in subsection 1.

NRS 353C.195 is hereby amended to read as follows:

353C.195 ~~3~~ *The amount of a debt owed to an agency must be established on the date the debt is turned over to the State Controller for collection. The State Controller may charge interest on the debt.*

NRS 353C.220 is hereby amended to read as follows:

353C.220 1. ~~{}~~ *Except as otherwise provided in subsection 3, if an agency determines that it is impossible or impractical to collect a debt, the agency may request that the State Board of*

Examiners ~~{to}~~ designate the debt as a bad debt. ~~{The}~~ *Except as otherwise provided in subsection 3, the* State Board of Examiners, by an affirmative vote of the majority of the members of the Board, may designate the debt as a bad debt if the Board is satisfied that the collection of the debt is impossible or impractical.

2. Upon the designation of a debt as a bad debt pursuant to ~~{this section,}~~ *subsection 1*, the State Board of Examiners shall immediately notify the State Controller ~~{thereof.}~~ *of that designation*. Upon receiving the notification, the State Controller shall direct the removal of the debt from the books of account of the State of Nevada.

3. If the State Controller determines that it is impossible or impractical to collect a debt of \$500 or less, he may designate the debt as a bad debt.

4. A bad debt that is removed pursuant to this section remains a legal and binding obligation owed by the debtor to the State of Nevada.

~~{3.}~~ 5. If resources are available, the State Controller shall keep a master file of all debts that are designated as bad debts pursuant to this section. If such a file is established and maintained, for each such debt, the State Controller shall record the name of the debtor, the amount of the debt, the date on which the debt was incurred and the date on which it was removed from the records and books of account of the agency or the State of Nevada, and any other information concerning the debt that the State Controller determines is necessary.

SB 382 – Proposed amendment

Sec.	Proposed:	Reason:
NRS 353C	Eliminate sunset on pilot program of withholding licenses with DMV and Wildlife and create program of withholding other state licenses.	Withholding licenses gives additional leverage to use when collecting debt.
NRS 353C	Allow the Controller's Office to develop a consistent statewide charge for a returned check fee of \$25. The statewide standards to supercede individual agency's statutes excluding the Department of Taxation and Gaming Control.	To have uniform and consistent treatment among agencies.
NRS 353C.110	Authorize the Controller's Office to adopt regulations necessary to carry out the provisions of NRS 353C.	Needed to achieve goal of centralized debt collection. Currently the Department of Administration and AG may jointly adopt regulations.
NRS 353C.120	For periodic reports of debts owed to agencies, change to have the Controller's Office prescribe the time, form and manner of the reports. Amend so if a debt is proven to be owed to the State, the confidentiality statute does not apply unless superceded by a federal law.	Allows agency receiving the forms (Controller's Office) to change the form. Current NRS says Administration and AG shall prescribe form. To have uniform and consistent treatment of agencies.
NRS 353C.135	Repeal the \$200 restriction for reimbursement of cost and fees for collection of certain debt. Increase the maximum charge to pass on to \$50,000.	More equitable to charge everyone uniformly for fees. Will save the State at least \$2,500 in fees per year. Can save the State up to \$25,000 for large settlements as current maximum is \$25,000.
NRS 353C.135	If a debtor defaults on a payment plan and any payment lapses by a year, or a debtor had only made a partial payment as a settlement and a year lapses, allow the Controller's Office to calculate and add on fees again even if the maximum fees were already reached.	Creates an incentive for a debtor to adhere to their payment plan and allows the State of Nevada to start the collection process over if a year lapses without payment.

SB 382 – Proposed amendment

Sec.	Proposed:	Reason:
NRS 353C.195	When an agency turns over a debt to the Controller's Office, the agency will stop accruing additional fees except for interest charges at a rate to be determined by the Controller's Office.	To insure uniform and consistent treatment among agencies. Will also save time in reconciling accounts turned over to debt collection vendors to agency's accounts.
NRS 353C.220	Authority to write off uncollectible debts under \$500 and debts where the cost to collect exceeds the debt.	This process will not keep the account from being collected at a later date if the debt later is determined to be collectable.