

SENATE BILL NO. 124—SENATOR TITUS

FEBRUARY 13, 2003

Referred to Committee on Judiciary

SUMMARY—Requires certain corporations to provide certain information at time of filing list of officers and directors and to pay fee under certain circumstances. (BDR 7-100)

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

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

AN ACT relating to corporations; requiring certain corporations to provide certain information at the time of filing the list of officers and directors and to pay a fee under certain circumstances; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 78 of NRS is hereby amended by adding
2 thereto a new section to read as follows:
3 ***1. At the time of submitting any list required pursuant to NRS***
4 ***78.150, a corporation that meets the criteria set forth in subsection***
5 ***2 must submit:***
6 ***(a) The statement required pursuant to subsection 3,***
7 ***accompanied by a declaration under penalty of perjury attesting***
8 ***that the statement does not contain any material misrepresentation***
9 ***of fact; and***
10 ***(b) A fee of \$100,000, to be distributed in the manner provided***
11 ***pursuant to subsection 4.***
12 ***2. A corporation must submit a statement pursuant to this***
13 ***section if the corporation, including its parent and all subsidiaries:***



1 (a) Holds 25 percent or more of the share of the market within
2 this state for any product sold or distributed by the corporation
3 within this state; and

4 (b) Has had, during the previous 5-year period, a total of five
5 or more investigations commenced against the corporation, its
6 parent or its subsidiaries in any jurisdiction within the United
7 States, including all state and federal investigations:

8 (1) Which concern any alleged contract, combination or
9 conspiracy in restraint of trade, as described in subsection 1 of
10 NRS 598A.060, or which concern similar activities prohibited by a
11 substantially similar law of another jurisdiction; and

12 (2) Which resulted in the corporation being fined or
13 otherwise penalized or which resulted in the corporation being
14 required to divest any holdings or being unable to acquire any
15 holdings as a condition for the settlement, dismissal or resolution
16 of those investigations.

17 3. A corporation that meets the criteria set forth in subsection
18 2 shall submit a statement which includes the following
19 information with respect to each investigation:

20 (a) The jurisdiction in which the investigation was commenced.

21 (b) A summary of the nature of the investigation and the facts
22 and circumstances surrounding the investigation.

23 (c) If the investigation resulted in criminal or civil litigation, a
24 copy of all pleadings filed in the investigation by any party to the
25 litigation.

26 (d) A summary of the outcome of the investigation, including
27 specific information concerning whether any fine or penalty was
28 imposed against the corporation and whether the corporation was
29 required to divest any holdings or was unable to acquire any
30 holdings as a condition for the settlement, dismissal or resolution
31 of the investigation.

32 4. The fee collected pursuant to subsection 1 must be
33 deposited in the Attorney General's Administration Budget
34 Account and used solely for the purpose of investigating any
35 alleged contract, combination or conspiracy in restraint of trade,
36 as described in subsection 1 of NRS 598A.060.

37 **Sec. 2.** NRS 78.150 is hereby amended to read as follows:

38 78.150 1. A corporation organized pursuant to the laws of
39 this state shall, on or before the first day of the second month after
40 the filing of its articles of incorporation with the Secretary of State,
41 file with the Secretary of State a list, on a form furnished by him,
42 containing:

43 (a) The name of the corporation;

44 (b) The file number of the corporation, if known;



- 1 (c) The names and titles of the president, secretary, treasurer and
- 2 of all the directors of the corporation;
- 3 (d) The mailing or street address, either residence or business, of
- 4 each officer and director listed, following the name of the officer or
- 5 director;
- 6 (e) The name and street address of the resident agent of the
- 7 corporation; and
- 8 (f) The signature of an officer of the corporation certifying that
- 9 the list is true, complete and accurate.
- 10 2. The corporation shall annually thereafter, on or before the
- 11 last day of the month in which the anniversary date of incorporation
- 12 occurs in each year, file with the Secretary of State, on a form
- 13 furnished by him, an annual list containing all of the information
- 14 required in subsection 1.
- 15 3. Each list required by subsection 1 or 2 must be accompanied
- 16 by ~~fat~~ :
 - 17 (a) A declaration under penalty of perjury that the corporation
 - 18 has complied with the provisions of chapter 364A of NRS.
 - 19 (b) *A statement as to whether the corporation is a publicly*
 - 20 *traded company. If the corporation is a publicly traded company,*
 - 21 *the corporation must list its Central Index Key. The Secretary of*
 - 22 *State shall include on his Internet website the Central Index Key*
 - 23 *of a corporation provided pursuant to this paragraph and*
 - 24 *instructions describing the manner in which a member of the*
 - 25 *public may obtain information concerning the corporation from*
 - 26 *the Securities and Exchange Commission.*
- 27 4. Upon filing the list required by:
 - 28 (a) Subsection 1, the corporation shall pay to the Secretary of
 - 29 State a fee of \$165.
 - 30 (b) Subsection 2, the corporation shall pay to the Secretary of
 - 31 State a fee of \$85.
- 32 5. The Secretary of State shall, 60 days before the last day for
- 33 filing each annual list required by subsection 2, cause to be mailed
- 34 to each corporation which is required to comply with the provisions
- 35 of NRS 78.150 to 78.185, inclusive, *and section 1 of this act* and
- 36 which has not become delinquent, a notice of the fee due pursuant to
- 37 subsection 4 and a reminder to file the annual list required by
- 38 subsection 2. Failure of any corporation to receive a notice or form
- 39 does not excuse it from the penalty imposed by law.
- 40 6. If the list to be filed pursuant to the provisions of subsection
- 41 1 or 2 is defective in any respect or the fee required by subsection 4
- 42 or 8 is not paid, the Secretary of State may return the list for
- 43 correction or payment.
- 44 7. An annual list for a corporation not in default which is
- 45 received by the Secretary of State more than 60 days before its due



1 date shall be deemed an amended list for the previous year and must
2 be accompanied by a fee of \$85 for filing. A payment submitted
3 pursuant to this subsection does not satisfy the requirements of
4 subsection 2 for the year to which the due date is applicable.

5 8. If the corporation is an association as defined in NRS
6 116.110315, the Secretary of State shall not accept the filing
7 required by this section unless it is accompanied by evidence of the
8 payment of the fee required to be paid pursuant to NRS 116.31155
9 that is provided to the association pursuant to subsection 4 of that
10 section.

11 **Sec. 3.** NRS 78.170 is hereby amended to read as follows:

12 78.170 1. Each corporation *which is* required to make a filing
13 and pay the fee prescribed in NRS 78.150 to 78.185, inclusive, *and*
14 *section 1 of this act and* which refuses or neglects to do so within
15 the time provided shall be deemed in default.

16 2. For default there must be added to the amount of the fee a
17 penalty of \$50. The fee and penalty must be collected as provided in
18 this chapter.

19 **Sec. 4.** Chapter 80 of NRS is hereby amended by adding
20 thereto a new section to read as follows:

21 *1. At the time of submitting any list required pursuant to NRS*
22 *80.110, a corporation that meets the criteria set forth in subsection*
23 *2 must submit:*

24 *(a) The statement required pursuant to subsection 3,*
25 *accompanied by a declaration under penalty of perjury attesting*
26 *that the statement does not contain any material misrepresentation*
27 *of fact; and*

28 *(b) A fee of \$100,000, to be distributed in the manner provided*
29 *pursuant to subsection 4.*

30 *2. A corporation must submit a statement pursuant to this*
31 *section if the corporation, including its parent and all subsidiaries:*

32 *(a) Holds 25 percent or more of the share of the market within*
33 *this state for any product sold or distributed by the corporation*
34 *within this state; and*

35 *(b) Has had, during the previous 5-year period, a total of five*
36 *or more investigations commenced against the corporation, its*
37 *parent or its subsidiaries in any jurisdiction within the United*
38 *States, including all state and federal investigations:*

39 *(1) Which concern any alleged contract, combination or*
40 *conspiracy in restraint of trade, as described in subsection 1 of*
41 *NRS 598A.060, or which concern similar activities prohibited by a*
42 *substantially similar law of another jurisdiction; and*

43 *(2) Which resulted in the corporation being fined or*
44 *otherwise penalized or which resulted in the corporation being*
45 *required to divest any holdings or being unable to acquire any*



1 *holdings as a condition for the settlement, dismissal or resolution*
2 *of those investigations.*

3 *3. A corporation that meets the criteria set forth in subsection*
4 *2 shall submit a statement which includes the following*
5 *information with respect to each investigation:*

6 *(a) The jurisdiction in which the investigation was commenced.*

7 *(b) A summary of the nature of the investigation and the facts*
8 *and circumstances surrounding the investigation.*

9 *(c) If the investigation resulted in criminal or civil litigation, a*
10 *copy of all pleadings filed in the investigation by any party to the*
11 *litigation.*

12 *(d) A summary of the outcome of the investigation, including*
13 *specific information concerning whether any fine or penalty was*
14 *imposed against the corporation and whether the corporation was*
15 *required to divest any holdings or was unable to acquire any*
16 *holdings as a condition for the settlement, dismissal or resolution*
17 *of the investigation.*

18 *4. The fee collected pursuant to subsection 1 must be*
19 *deposited in the Attorney General's Administration Budget*
20 *Account and used solely for the purpose of investigating any*
21 *alleged contract, combination or conspiracy in restraint of trade,*
22 *as described in subsection 1 of NRS 598A.060.*

23 **Sec. 5.** NRS 80.110 is hereby amended to read as follows:

24 80.110 1. Each foreign corporation doing business in this
25 state shall, on or before the first day of the second month after the
26 filing of its certificate of corporate existence with the Secretary of
27 State, and annually thereafter on or before the last day of the month
28 in which the anniversary date of its qualification to do business in
29 this state occurs in each year, file with the Secretary of State a list,
30 on a form furnished by him, that contains:

31 (a) The names of its president, secretary and treasurer , or ~~their~~
32 ~~equivalent,~~ *the equivalent thereof*, and all of its directors;

33 (b) A designation of its resident agent in this state; and

34 (c) The signature of an officer of the corporation.

35 Each list filed pursuant to this subsection must be accompanied by a
36 declaration under penalty of perjury that the foreign corporation has
37 complied with the provisions of chapter 364A of NRS. *Each list*
38 *filed pursuant to this subsection must also be accompanied by a*
39 *statement as to whether the corporation is a publicly traded*
40 *company. If the corporation is a publicly traded company, the*
41 *corporation must list its Central Index Key. The Secretary of State*
42 *shall include on his Internet website the Central Index Key of a*
43 *corporation provided pursuant to this subsection and instructions*
44 *describing the manner in which a member of the public may*



1 *obtain information concerning the corporation from the Securities*
2 *and Exchange Commission.*

3 2. Upon filing:
4 (a) The initial list required by subsection 1, the corporation shall
5 pay to the Secretary of State a fee of \$165.

6 (b) Each annual list required by subsection 1, the corporation
7 shall pay to the Secretary of State a fee of \$85.

8 3. The Secretary of State shall, 60 days before the last day for
9 filing each annual list required by subsection 1, cause to be mailed
10 to each corporation required to comply with the provisions of NRS
11 80.110 to 80.170, inclusive, *and section 4 of this act and* which has
12 not become delinquent, the blank forms to be completed and filed
13 with him. Failure of any corporation to receive the forms does not
14 excuse it from the penalty imposed by the provisions of NRS 80.110
15 to 80.170, inclusive ~~§~~, *and section 4 of this act.*

16 4. An annual list for a corporation not in default which is
17 received by the Secretary of State more than 60 days before its due
18 date shall be deemed an amended list for the previous year and does
19 not satisfy the requirements of subsection 1 for the year to which the
20 due date is applicable.

21 **Sec. 6.** NRS 80.150 is hereby amended to read as follows:

22 80.150 1. Any corporation *which is* required to make a filing
23 and pay the fee prescribed in NRS 80.110 to 80.170, inclusive, *and*
24 *section 4 of this act and* which refuses or neglects to do so within
25 the time provided ~~§~~ is in default.

26 2. For default there must be added to the amount of the fee a
27 penalty of \$50, and unless the filing is made and the fee and penalty
28 are paid on or before the first day of the ninth month following the
29 month in which filing was required, the defaulting corporation by
30 reason of its default forfeits its right to transact any business within
31 this state. The fee and penalty must be collected as provided in this
32 chapter.

