Assembly Bill No. 501–Committee on Commerce and Labor

### CHAPTER.....

AN ACT relating to contractors; prohibiting certain unfair business practices and other improper practices by contractors; extending the statute of limitations for certain misdemeanor offenses; revising provisions regarding certain financial statements submitted to the State Contractors' Board; authorizing the Board to deny a license or take disciplinary action for certain criminal offenses committed in other jurisdictions; increasing the amount of administrative fines the Board may impose for certain violations; requiring the Board to establish standards for use by the Board in determining the amount of certain administrative fines; requiring the payment of interest on certain administrative fines; providing penalties; and providing other matters properly relating thereto.

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

**Section 1.** Chapter 624 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.

**Sec. 2.** The following acts, among others, are unfair business practices and constitute cause for disciplinary action under NRS 624.300:

1. When a contractor states that service, replacement parts, equipment or repairs are needed when such service, replacement parts, equipment or repairs actually are not needed.

2. When a contractor makes any false or misleading statement or representation of material fact that is intended, directly or indirectly, to induce another person to use the services of the contractor or to enter into any contract with the contractor or any obligation relating to such a contract.

3. When a contractor makes any false or misleading statement or representation of material fact that is intended, directly or indirectly, to disparage the goods, services or business of another person.

Sec. 3. For any violation of the provisions of this chapter that is punishable as a misdemeanor, an indictment must be found, or an information or complaint filed, within 2 years after the commission of the offense.

**Sec. 4.** NRS 624.263 is hereby amended to read as follows:

624.263 1. The financial responsibility of a licensee or an applicant for a contractor's license must be established independently of and without reliance on any assets or guarantees of any owners or managing officers of the licensee or applicant, but the

financial responsibility of any owners or managing officers of the licensee or applicant may be inquired into and considered as a criterion in determining the financial responsibility of the licensee or applicant.

2. The financial responsibility of an applicant for a contractor's license or of a licensed contractor must be determined by using the following standards and criteria in connection with each applicant or contractor and each associate or partner thereof:

(a) Net worth.

(b) Amount of liquid assets.

(c) Prior payment and credit records.

(d) Previous business experience.

(e) Prior and pending lawsuits.

(f) Prior and pending liens.

(g) Adverse judgments.

(h) Conviction of a felony or crime involving moral turpitude.

(i) Prior suspension or revocation of a contractor's license in Nevada or elsewhere.

(j) An adjudication of bankruptcy or any other proceeding under the federal bankruptcy laws, including:

(1) A composition, arrangement or reorganization proceeding;

(2) The appointment of a receiver of the property of the applicant or contractor or any officer, director, associate or partner thereof under the laws of this State or the United States; or

(3) The making of an assignment for the benefit of creditors.

(k) Form of business organization, corporate or otherwise.

(l) Information obtained from confidential financial references and credit reports.

(m) Reputation for honesty and integrity of the applicant or contractor or any officer, director, associate or partner thereof.

3. A licensed contractor shall, as soon as it is reasonably practicable, notify the Board in writing upon the filing of a petition or application relating to the contractor that initiates any proceeding, appointment or assignment set forth in paragraph (j) of subsection 2. The written notice must be accompanied by:

(a) A copy of the petition or application filed with the court; and

(b) A copy of any order of the court which is relevant to the financial responsibility of the contractor, including any order appointing a trustee, receiver or assignee.

4. Before issuing a license to an applicant who will engage in residential construction or renewing the license of a contractor who engages in residential construction, the Board may require the applicant or licensee to establish his financial responsibility by submitting to the Board:

(a) A financial statement [prepared] that is:

(1) *Prepared* by a certified public accountant; *or* 

(2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) A statement setting forth the number of building permits issued to and construction projects completed by the licensee during the immediately preceding year and any other information required by the Board. The statement submitted pursuant to this paragraph must be provided on a form approved by the Board.

5. In addition to the requirements set forth in subsection 4, the Board may require a licensee to establish his financial responsibility at any time.

6. An applicant for an initial contractor's license or a licensee applying for the renewal of a contractor's license has the burden of demonstrating his financial responsibility to the Board, if the Board requests him to do so.

Sec. 5. NRS 624.264 is hereby amended to read as follows:

624.264 1. In addition to any other requirements set forth in this chapter, if an applicant will engage in residential construction and the applicant or the natural person qualifying on behalf of the applicant pursuant to NRS 624.260 has not held a contractor's license issued pursuant to this chapter within the 2 years immediately preceding the date that the applicant is submitted to the Board, the Board shall require the applicant to establish his financial responsibility by submitting to the Board:

(a) A financial statement that is [prepared] :

(1) **Prepared** by an independent certified public accountant;

or

(2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) Any other information required by the Board.

2. Before the Board may issue a contractor's license to the applicant, the Board must determine whether, based on the financial information concerning the applicant, it would be in the public interest to do any or all of the following:

(a) Require the applicant to obtain the services of a construction control with respect to any money that the applicant requires a purchaser of a new residence to pay in advance to make upgrades to the new residence. If the Board imposes such a requirement, the applicant may not:

(1) Be related to the construction control or to an employee or agent of the construction control; or

(2) Hold, directly or indirectly, a financial interest in the business of the construction control.

(b) Establish an aggregate monetary limit on the contractor's license, which must be the maximum combined monetary limit on all contracts that the applicant may undertake or perform as a licensed contractor at any one time, regardless of the number of contracts, construction sites, subdivision sites or clients. If the Board establishes such a limit, the Board:

(1) Shall determine the period that the limit is in effect; and

(2) During that period, may increase or decrease the limit as the Board deems appropriate.

3. If the Board issues a contractor's license to an applicant described in subsection 1, for the first 2 years after the issuance of the license, the licensee must submit to the Board, with each application for renewal of the license:

(a) A financial statement that is [prepared] :

(1) **Prepared** by an independent certified public accountant; or

### (2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) A statement setting forth the number of building permits issued to and construction projects completed by the licensee during the immediately preceding year and any other information required by the Board. The statement submitted pursuant to this paragraph must be provided on a form approved by the Board.

4. Before the Board may renew the contractor's license of the licensee, the Board must determine whether, based on the financial information concerning the licensee, it would be in the public interest to do any or all of the following:

(a) Require the licensee to obtain the services of a construction control with respect to any money that the licensee requires a purchaser of a new residence to pay in advance to make upgrades to the new residence. If the Board imposes such a requirement, the licensee may not:

(1) Be related to the construction control or to an employee or agent of the construction control; or

(2) Hold, directly or indirectly, a financial interest in the business of the construction control.

(b) Establish an aggregate monetary limit on the contractor's license, which must be the maximum combined monetary limit on all contracts that the licensee may undertake or perform as a licensed contractor at any one time, regardless of the number of contracts, construction sites, subdivision sites or clients. If the Board establishes such a limit, the Board:

(1) Shall determine the period that the limit is in effect; and

(2) During that period, may increase or decrease the limit as the Board deems appropriate.

Sec. 6. NRS 624.265 is hereby amended to read as follows:

624.265 1. An applicant for a contractor's license or a licensed contractor and each officer, director, partner and associate thereof must possess good character. Lack of character may be established by showing that the applicant or licensed contractor, or any officer, director, partner or associate thereof, has:

(a) Committed any act which would be grounds for the denial, suspension or revocation of a contractor's license;

(b) A bad reputation for honesty and integrity;

(c) Entered a plea of nolo contendere or guilty to, been found guilty of or been convicted, *in this State or any other jurisdiction*, of a crime arising out of, in connection with or related to the activities of such person in such a manner as to demonstrate his unfitness to act as a contractor, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal; or

(d) Had a license revoked or suspended for reasons that would preclude the granting or renewal of a license for which the application has been made.

<sup>1</sup>2. Upon the request of the Board, an applicant for a contractor's license, and any officer, director, partner or associate of the applicant, must submit to the Board completed fingerprint cards and a form authorizing an investigation of the applicant's background and the submission of his fingerprints to the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation. The fingerprint cards and authorization form submitted must be those that are provided to the applicant by the Board. The applicant's fingerprints may be taken by an agent of the Board or an agency of law enforcement.

3. The Board shall keep the results of the investigation confidential and not subject to inspection by the general public.

4. The Board shall establish by regulation the fee for processing the fingerprints to be paid by the applicant. The fee must not exceed the sum of the amounts charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation for processing the fingerprints.

5. The Board may obtain records of a law enforcement agency or any other agency that maintains records of criminal history, including, without limitation, records of:

(a) Arrests;

(b) Guilty pleas;

(c) Sentencing;

(d) Probation;

(e) Parole;

(f) Bail;

(g) Complaints; and

(h) Final dispositions,

 $\rightarrow$  for the investigation of a licensee or an applicant for a contractor's license.

Sec. 7. NRS 624.283 is hereby amended to read as follows:

624.283 1. Each license issued under the provisions of this chapter expires 1 year after the date on which it is issued, except that the Board may by regulation prescribe shorter or longer periods and prorated fees to establish a system of staggered renewals. Any license which is not renewed on or before the date for renewal is automatically suspended.

2. A license may be renewed by submitting to the Board:

(a) An application for renewal;

(b) The statement required pursuant to NRS 624.268 if the holder of the license is a natural person;

(c) The fee for renewal fixed by the Board; and

(d) Any assessment required pursuant to NRS 624.470 if the holder of the license is a residential contractor as defined in NRS 624.450.

3. The Board may require a licensee to demonstrate his financial responsibility at any time through the submission of:

(a) A financial statement that is [prepared] :

(1) **Prepared** by an independent certified public accountant;

or

#### (2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) If the licensee performs residential construction, such additional documentation as the Board deems appropriate.

4. If a license is automatically suspended pursuant to subsection 1, the licensee may have his license reinstated upon filing an application for renewal within 6 months after the date of suspension and paying, in addition to the fee for renewal, a fee for reinstatement fixed by the Board, if he is otherwise in good standing and there are no complaints pending against him. If he is otherwise not in good standing or there is a complaint pending, the Board shall require him to provide a current financial statement prepared by an independent certified public accountant or establish other conditions for reinstatement. If the licensee is a natural person, his application for renewal must be accompanied by the statement required pursuant to NRS 624.268. A license which is not reinstated within 6 months after it is automatically suspended may be cancelled by the Board, and a new license may be issued only upon application for an original contractor's license.

Sec. 8. NRS 624.283 is hereby amended to read as follows:

624.283 1. Each license issued under the provisions of this chapter expires 1 year after the date on which it is issued, except that the Board may by regulation prescribe shorter or longer periods

and prorated fees to establish a system of staggered renewals. Any license which is not renewed on or before the date for renewal is automatically suspended.

2. A license may be renewed by submitting to the Board:

(a) An application for renewal;

(b) The fee for renewal fixed by the Board; and

(c) Any assessment required pursuant to NRS 624.470 if the holder of the license is a residential contractor as defined in NRS 624.450.

3. The Board may require a licensee to demonstrate his financial responsibility at any time through the submission of:

(a) A financial statement that is [prepared] :

(1) **Prepared** by an independent certified public accountant; **or** 

# (2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) If the licensee performs residential construction, such additional documentation as the Board deems appropriate.

4. If a license is automatically suspended pursuant to subsection 1, the licensee may have his license reinstated upon filing an application for renewal within 6 months after the date of suspension and paying, in addition to the fee for renewal, a fee for reinstatement fixed by the Board, if he is otherwise in good standing and there are no complaints pending against him. If he is otherwise not in good standing or there is a complaint pending, the Board shall require him to provide a current financial statement prepared by an independent certified public accountant or establish other conditions for reinstatement. A license which is not reinstated within 6 months after it is automatically suspended may be cancelled by the Board, and a new license may be issued only upon application for an original contractor's license.

**Sec. 9.** NRS 624.300 is hereby amended to read as follows:

624.300 1. Except as otherwise provided in subsections 3 and 4, the Board may:

(a) Suspend or revoke licenses already issued;

(b) Refuse renewals of licenses;

(c) Impose limits on the field, scope and monetary limit of the license;

(d) Impose an administrative fine of not more than \$10,000;

(e) Order a licensee to repay to the account established pursuant to NRS 624.470, any amount paid out of the account pursuant to NRS 624.510 as a result of an act or omission of that licensee;

(f) Order the licensee to take action to correct a condition resulting from an act which constitutes a cause for disciplinary

action, at the licensee's cost, that may consist of requiring the licensee to:

(1) Perform the corrective work himself;

(2) Hire and pay another licensee to perform the corrective work; or

(3) Pay to the owner of the construction project a specified sum to correct the condition; or

(g) Issue a public reprimand or take other less severe disciplinary action, including, without limitation, increasing the amount of the surety bond or cash deposit of the licensee,

 $\rightarrow$  if the licensee commits any act which constitutes a cause for disciplinary action.

2. If the Board suspends or revokes the license of a contractor for failure to establish financial responsibility, the Board may, in addition to any other conditions for reinstating or renewing the license, require that each contract undertaken by the licensee for a period to be designated by the Board, not to exceed 12 months, be separately covered by a bond or bonds approved by the Board and conditioned upon the performance of and the payment of labor and materials required by the contract.

3. If a licensee violates the provisions of NRS 624.3014, [or] subsection 2 or 3 of NRS 624.3015, subsection 1 of NRS 624.302 or subsection 1 of NRS 624.305, the Board may impose for each violation an administrative fine [of] in an amount that is not more than [\$20,000.] \$50,000. The Board shall, by regulation, establish standards for use by the Board in determining the amount of an administrative fine imposed pursuant to this subsection. The standards must include, without limitation, provisions requiring the Board to consider:

(a) The gravity of the violation;

(b) The good faith of the licensee; and

(c) Any history of previous violations of the provisions of this chapter committed by the licensee.

4. If a licensee is prohibited from being awarded a contract for a public work pursuant to NRS 338.017, the Board may suspend the license of the licensee for the period of the prohibition.

5. If a licensee commits a fraudulent act which is a cause for disciplinary action under NRS 624.3016, the correction of any condition resulting from the act does not preclude the Board from taking disciplinary action.

6. If the Board finds that a licensee has engaged in repeated acts that would be cause for disciplinary action, the correction of any resulting conditions does not preclude the Board from taking disciplinary action pursuant to this section.

7. The expiration of a license by operation of law or by order or decision of the Board or a court, or the voluntary surrender of a

license by a licensee, does not deprive the Board of jurisdiction to proceed with any investigation of, or action or disciplinary proceeding against, the licensee or to render a decision suspending or revoking the license.

8. The Board shall not issue a private reprimand to a licensee.

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

10. An administrative fine imposed pursuant to this section, NRS 624.341 or 624.710 plus interest at a rate that is equal to the prime rate at the largest bank in this State, as determined by the Commissioner of Financial Institutions on January 1 or July 1, as appropriate, immediately preceding the date of the order imposing the administrative fine, plus 4 percent, must be paid to the Board before the issuance or renewal of a license to engage in the business of contracting in this State. The interest must be collected from the date of the order until the date the administrative fine is paid.

**11.** All fines *and interest* collected pursuant to this section must be deposited with the State Treasurer for credit to the Construction Education Account created pursuant to NRS 624.580.

Sec. 10. NRS 624.3016 is hereby amended to read as follows:

624.3016 The following acts or omissions, among others, constitute cause for disciplinary action under NRS 624.300:

1. Any fraudulent or deceitful act committed in the capacity of a contractor, including, without limitation, misrepresentation or the omission of a material fact.

2. A conviction of a violation of NRS 624.730, *or a conviction in this State or any other jurisdiction of* a felony relating to the practice of a contractor or a crime involving moral turpitude.

3. Knowingly making a false statement in or relating to the recording of a notice of lien pursuant to the provisions of NRS 108.226.

4. Failure to give a notice required by NRS 108.227, 108.245 or 108.246.

5. Failure to comply with NRS 597.713, 597.716 or 597.719 or any regulations of the Board governing contracts for the construction of residential pools and spas.

6. Failure to comply with NRS 624.600.

7. Misrepresentation or the omission of a material fact, or the commission of any other fraudulent or deceitful act, to obtain a license.

8. Failure to pay an assessment required pursuant to NRS 624.470.

9. Failure to file a certified payroll report that is required for a contract for a public work.

10. Knowingly submitting false information in an application for qualification or a certified payroll report that is required for a contract for a public work.

Sec. 11. NRS 624.323 is hereby amended to read as follows:

624.323 1. In addition to any other requirements set forth in this chapter, if an investigation is conducted against a licensee and the Board determines that there is cause to proceed with a formal disciplinary proceeding against the licensee, the Board shall require the licensee to submit to the Board:

(a) A financial statement that is [prepared] :

(1) **Prepared** by an independent certified public accountant;

or

# (2) Submitted on a form or in a format prescribed by the Board together with an affidavit which verifies the accuracy of the financial statement; and

(b) A statement setting forth the number of building permits issued to and construction projects completed by the licensee during the immediately preceding year and any other information required by the Board. The statement submitted pursuant to this paragraph must be provided on a form approved by the Board.

2. After providing the licensee with notice and an opportunity to be heard, the Board must determine whether, based on the financial information concerning the licensee, it would be in the public interest to do any or all of the following:

(a) Require the licensee to obtain the services of a construction control with respect to any money that the licensee requires a purchaser of a new residence to pay in advance to make upgrades to the new residence. If the Board imposes such a requirement, the licensee may not:

(1) Be related to the construction control or to an employee or agent of the construction control; or

(2) Hold, directly or indirectly, a financial interest in the business of the construction control.

(b) Establish an aggregate monetary limit on the contractor's license, which must be the maximum combined monetary limit on all contracts that the licensee may undertake or perform as a licensed contractor at any one time, regardless of the number of contracts, construction sites, subdivision sites or clients. If the Board establishes such a limit, the Board:

(1) Shall determine the period that the limit is in effect; and

(2) During that period, may increase or decrease the limit as the Board deems appropriate.

3. The provisions of this section do not limit the authority of the Board to take disciplinary action against the licensee.

Sec. 12. NRS 624.710 is hereby amended to read as follows:

624.710 1. If any person violates the provisions of subsection 1 of NRS 624.700, the Board may impose *for each violation* an administrative fine [of] *in an amount that is* not less than \$1,000 [nor] *and not* more than [\$10,000 for each violation.] \$50,000.

2. [An] The Board shall, by regulation, establish standards for use by the Board in determining the amount of an administrative fine imposed pursuant to this section . [is] The standards must include, without limitation, provisions requiring the Board to consider:

(a) The gravity of the violation;

(b) The good faith of the person; and

(c) Any history of previous violations of the provisions of this chapter committed by the person.

3. An administrative fine imposed pursuant to this section is in addition to any other penalty imposed pursuant to this chapter.

[3.] 4. If the administrative fine *and any interest imposed pursuant to NRS 624.300* is not paid when due, the fine *and interest, if any,* must be recovered in a civil action brought by the Attorney General on behalf of the Board.

[4.] 5. All administrative fines *and interest* collected pursuant to this section must be deposited with the State Treasurer for credit to the Construction Education Account created pursuant to NRS 624.580.

Sec. 13. NRS 624.720 is hereby amended to read as follows:

624.720 1. It is unlawful for any person, including a person exempt under the provisions of NRS 624.031, to advertise as a contractor unless he has a license in the appropriate classification established by the provisions of NRS 624.215 and 624.220.

2. It is unlawful for a licensed contractor to disseminate, as part of any advertising by the contractor, any false or misleading statement or representation of material fact that is intended, directly or indirectly, to induce another person to use the services of the contractor or to enter into any contract with the contractor or any obligation relating to such a contract.

3. All advertising by a licensed contractor must include the name of his company and the number of his license.

[3.] 4. If, after giving notice and holding a hearing pursuant to NRS 624.291, the Board determines that a person has engaged in advertising in a manner that violates the provisions of this section, the Board may, in addition to any penalty, punishment or disciplinary action authorized by the provisions of this chapter, issue an order to the person to cease and desist the unlawful advertising and to:

(a) Cause any telephone number included in the advertising, other than a telephone number to a provider of paging services, to be disconnected.

(b) Request the provider of paging services to change the number of any beeper which is included in the advertising or disconnect the paging services to such a beeper, and to inform the provider of paging services that the request is made pursuant to this section.

[4.] 5. If a person fails to comply with paragraph (a) of subsection [3] 4 within 5 days after the date that he receives an order pursuant to subsection [3,] 4, the Board may request the Public Utilities Commission of Nevada to order the appropriate provider of telephone service to disconnect any telephone number included in the advertisement, except for a telephone number to a provider of paging services. If a person fails to comply with paragraph (b) of subsection [3] 4 within 5 days after the date he receives an order pursuant to subsection [3,] 4, the Board may request the provider of paging services to switch the beeper number or disconnect the paging services provided to the person, whichever the provider deems appropriate.

[5.] 6. If the provider of paging services receives a request from a person pursuant to subsection [3] 4 or a request from the Board pursuant to subsection [4,] 5, it shall:

(a) Disconnect the paging service to the person; or

(b) Switch the beeper number of the paging service provided to the person.

 $\rightarrow$  If the provider of paging services elects to switch the number pursuant to paragraph (b), it shall not forward or offer to forward the paging calls from the previous number, or provide or offer to provide a recorded message that includes the new beeper number.

[6.] 7. As used in this section:

(a) "Advertising" includes, but is not limited to, the issuance of any sign, card or device, or the permitting or allowing of any sign or marking on a motor vehicle, in any building, structure, newspaper, magazine or airway transmission, on the Internet or in any directory under the listing of "contractor" with or without any limiting qualifications.

(b) "Beeper" means a portable electronic device which is used to page the person carrying it by emitting an audible or a vibrating signal when the device receives a special radio signal.

(c) "Provider of paging services" means an entity, other than a public utility, that provides paging service to a beeper.

(d) "Provider of telephone service" has the meaning ascribed to it in NRS 707.355.

Sec. 14. NRS 171.090 is hereby amended to read as follows:

171.090 Except as otherwise provided in NRS 171.095 and 202.885, *and section 3 of this act*, an indictment for:

1. A gross misdemeanor must be found, or an information or complaint filed, within 2 years after the commission of the offense.

2. Any other misdemeanor must be found, or an information or complaint filed, within 1 year after the commission of the offense.

Sec. 15. NRS 171.095 is hereby amended to read as follows:

171.095 1. Except as otherwise provided in subsection 2 and NRS 171.083 and 171.084:

(a) If a felony, gross misdemeanor or misdemeanor is committed in a secret manner, an indictment for the offense must be found, or an information or complaint filed, within the periods of limitation prescribed in NRS 171.085 and 171.090 *and section 3 of this act* after the discovery of the offense, unless a longer period is allowed by paragraph (b) or the provisions of NRS 202.885.

(b) An indictment must be found, or an information or complaint filed, for any offense constituting sexual abuse of a child, as defined in NRS 432B.100, before the victim of the sexual abuse is:

(1) Twenty-one years old if he discovers or reasonably should have discovered that he was a victim of the sexual abuse by the date on which he reaches that age; or

(2) Twenty-eight years old if he does not discover and reasonably should not have discovered that he was a victim of the sexual abuse by the date on which he reaches 21 years of age.

2. If any indictment found, or an information or complaint filed, within the time prescribed in subsection 1 is defective so that no judgment can be given thereon, another prosecution may be instituted for the same offense within 6 months after the first is abandoned.

**Sec. 16.** 1. Except as otherwise provided in subsection 2, the provisions of this act do not apply to any acts, omissions, violations or offenses committed before the effective date of this act.

2. The provisions of this section do not prohibit the State Contractors' Board from denying an application for a license pursuant to chapter 624 of NRS based on a criminal conviction for an offense committed before the effective date of this act.

**Sec. 17.** 1. This section and sections 1 to 7, inclusive, and 9 to 16, inclusive, of this act become effective upon passage and approval.

2. The provisions of section 7 of this act expire by limitation on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who: (a) Have failed to comply with a subpoena or warrant relating to a proceeding to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

 $\rightarrow$  are repealed by the Congress of the United States.

3. Section 8 of this act becomes effective on the date on which the provisions of 42 U.S.C. § 666 requiring each state to establish procedures under which the state has authority to withhold or suspend, or to restrict the use of professional, occupational and recreational licenses of persons who:

(a) Have failed to comply with a subpoena or warrant relating to a procedure to determine the paternity of a child or to establish or enforce an obligation for the support of a child; or

(b) Are in arrears in the payment for the support of one or more children,

 $\rightarrow$  are repealed by the Congress of the United States.

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