# ASSEMBLY BILL NO. 72–COMMITTEE ON GOVERNMENT AFFAIRS

### (ON BEHALF OF THE SECRETARY OF STATE)

Prefiled November 20, 2024

#### Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to notaries public and document preparation services. (BDR 19-485)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to public affairs; authorizing the Secretary of State to adopt a code of professional responsibility for notaries public; prohibiting a notary public from performing a notarial act under certain circumstances; revising the procedure for filing cash bonds or surety bonds covering document preparation services; prohibiting a registrant to engage in the business of a document preparation service from engaging in such business for an entity that is not covered by such a bond; providing that certain information and documents obtained during an investigation of a document preparation service is confidential; providing penalties; and providing other matters properly relating thereto.

#### **Legislative Counsel's Digest:**

Existing law authorizes the Secretary of State to adopt regulations: (1) prescribing the procedure for the appointment and mandatory training of a notary public; and (2) establishing procedures for the notarization of digital and electronic signatures. (NRS 240.017) **Section 2** of this bill additionally authorizes the Secretary of State to adopt regulations establishing a code of professional responsibility for notaries public. **Section 4** of this bill authorizes the Secretary of State to impose certain sanctions against a notary public who violates any regulation adopted pursuant to the provisions of existing law governing notaries





public, including, without limitation, any code of professional responsibility adopted pursuant to **section 2**. In addition, under existing law, a person who willfully violates such a code would be guilty of a category D felony if irreparable harm results. (NRS 240.175)

Existing law prohibits certain acts by a notary public. (NRS 240.075) **Section 3** of this bill additionally prohibits a notary public from performing a notarial act if the notary public has reason to believe that the person whose signature is to be acknowledged, sworn to or witnessed or attested does not know or understand the act he or she is performing or the effect of that act. Under existing law, a person who violates that prohibition would be subject to administrative sanctions. Under existing law, if a person willfully violates that prohibition and irreparable harm results, the person would be guilty of a category D felony. (NRS 240.175)

Existing law authorizes an electronic notary public to perform electronic notarial acts using audio-video communication if the electronic notary public is physically present in the State. (NRS 240.198, 240.1993) **Section 5** of this bill clarifies that an electronic notary public is prohibited from performing an electronic notarial act unless he or she is present in the State. Under existing law, the Secretary of State would be authorized to impose sanctions against a notary public who violates the provisions of **section 5**. (NRS 240.150)

Existing law generally requires a person who is registered to provide document preparation services to file with the Secretary of State a cash bond or surety bond to indemnify persons injured by certain acts or omissions by the registrant. (NRS 240A.120) However, existing law: (1) authorizes a business entity that has one or more employees who perform document preparation services to file such a bond on behalf of all such employees; and (2) exempts the employees of a business entity that files such a bond from the requirement to file their own bonds. (NRS 240A.123) Section 8 of this bill requires each registrant who files a bond on behalf of himself or herself to file a separate bond for each entity under which he or she performs document preparation services, thereby prohibiting such a registrant from performing document preparation services for multiple entities under one bond. Section 9 of this bill removes the discretion for a business entity that employs one or more persons who provide document preparation services to not file a cash or surety bond on behalf of such employees if each employee instead files such a bond on his or her own behalf. Section 9 thereby requires each such business entity to file such a bond on behalf of its employees, who provide document preparation services. Sections 6 and 7 of this bill require an applicant for the issuance or renewal of registration as a document preparation service to provide: (1) a list of each entity under which the applicant intends to provide document preparation services; and (2) for each such entity, proof that the required bond has been filed. Section 10 of this bill prohibits a registrant from engaging in the business of a document preparation service for any entity for which a bond has not been filed. Under existing law, a registrant who violates that prohibition would be subject to certain administrative sanctions. (NRS 240A.270) Additionally, a registrant who willfully violates that prohibition or a business entity that willfully fails to file a bond where required by section 9 is subject to certain criminal penalties. (NRS 240A.290)

Existing law authorizes the Secretary of State to conduct or cause to be conducted an investigation if the Secretary of State obtains information that a provision of law, regulation or order relating to document preparation services has been violated. (NRS 240A.260) **Sections 1 and 11** of this bill make information and documents obtained by or filed with the Secretary of State in connection with an investigation confidential.



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

1 **Section 1.** NRS 239.010 is hereby amended to read as follows: Except as otherwise provided in this section and 2 NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 3 4 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 5 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 6 87.5413. 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 7 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 8 9 116B.880, 118B.026, 119.260, 119.265, 119.267, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 10 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 11 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 12 130.712, 136.050, 159.044, 159A.044, 164.041, 172.075, 172.245, 13 14 176.01334, 176.01385, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 178.5717, 179.495, 15 179A.070, 179A.165, 179D.160, 180.600, 200.3771, 200.3772, 16 17 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 18 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 19 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 218G.615, 20 21 224.240, 226.462, 226.796, 228.270, 228.450, 228.495, 228.570, 231.1285, 231.1473, 232.1369, 233.190, 231.069. 22 237.300. 23 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 24 239C.420, 240.007, **240A.260**, 241.020, 241.030, 241.039, 242.105, 25 244.264, 244.335, 247.540, 247.545, 247.550, 247.560, 250.087, 26 250.130, 250.140, 250.145, 250.150, 268.095, 268.0978, 268.490, 27 269.174, 271A.105, 281.195, 281.805. 28 281A.350. 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 29 30 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 31 32 293.870, 293.906, 293.908, 293.909, 293.910, 293B.135, 293D.510, 33 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 34 353A.049, 353A.085, 353A.100, 353C.240, 353D.250, 360.240, 35 36 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 37 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 38 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 39 388A.247. 388A.249. 391.033. 391.035. 391.0365. 391.120. 40 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 41 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975, 42





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687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536. 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159, 711.600, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law. 

- 2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.
- 3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.
- 4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:
  - (a) The public record:
    - (1) Was not created or prepared in an electronic format; and
    - (2) Is not available in an electronic format; or
- (b) Providing the public record in an electronic format or by means of an electronic medium would:
  - (1) Give access to proprietary software; or
  - (2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.
- 5. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:





- (a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.
- (b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.
  - **Sec. 2.** NRS 240.017 is hereby amended to read as follows:

240.017 The Secretary of State:

1. May adopt regulations:

- (a) Prescribing the procedure for the appointment and mandatory training of a notary public.
- (b) Establishing procedures for the notarization of digital or electronic signatures.
- (c) Establishing a code of professional responsibility for notaries public.
- 2. Shall adopt regulations prescribing the form of each affidavit required pursuant to subsection 2 of NRS 240.030.
  - **Sec. 3.** NRS 240.075 is hereby amended to read as follows:

240.075 A notary public shall not:

- 1. Influence a person to enter or not enter into a lawful transaction involving a notarial act performed by the notary public.
- 2. Certify an instrument containing a statement known by the notary public to be false.
- 3. Perform any act as a notary public with intent to deceive or defraud, including, without limitation, altering the journal that the notary public is required to keep pursuant to NRS 240.120.
- 4. Endorse or promote any product, service or offering if his or her appointment as a notary public is used in the endorsement or promotional statement.
- 5. Certify photocopies of a certificate of birth, death or marriage or a divorce decree.
  - 6. Allow any other person to use his or her notary's stamp.
- 7. Allow any other person to sign the notary's name in a notarial capacity.
- 8. Perform a notarial act on a document that contains only a signature.
- 9. Perform a notarial act on a document, including a form that requires the signer to provide information within blank spaces, unless the document has been filled out completely and has been signed.
- 10. Make or note a protest of a negotiable instrument unless the notary public is employed by a depository institution and the protest is made or noted within the scope of that employment. As used in





this subsection, "depository institution" has the meaning ascribed to it in NRS 657.037.

- 11. Affix his or her stamp to any document which does not contain a notarial certificate.
- 12. Perform a notarial act if the notary public has reason to believe that the person whose signature is to be acknowledged, sworn to or witnessed or attested does not know or understand the act that he or she is performing or the effect thereof, even after the notary public has explained the notarial act, the process for performing the notarial act and the effect of the notarial act.

**Sec. 4.** NRS 240.150 is hereby amended to read as follows:

- 240.150 1. For misconduct or neglect in a case in which a notary public appointed pursuant to the authority of this State may act, either by the law of this State or of another state, territory or country, or by the law of nations, or by commercial usage, the notary public is liable on his or her official bond to the parties injured thereby, for all the damages sustained.
- 2. The employer of a notary public may be assessed a civil penalty by the Secretary of State of not more than \$2,000 for each violation specified in subsection 4 committed by the notary public, and the employer is liable for any damages proximately caused by the misconduct of the notary public, if:
- (a) The notary public was acting within the scope of his or her employment at the time the notary public engaged in the misconduct; and
- (b) The employer of the notary public consented to the misconduct of the notary public.
- 3. The Secretary of State may refuse to appoint or may suspend or revoke the appointment of a notary public who fails to provide to the Secretary of State, within a reasonable time, information that the Secretary of State requests from the notary public in connection with a complaint which alleges a violation of this chapter.
- 4. Except as otherwise provided in this chapter, for any willful violation or neglect of duty or other violation of this chapter [,] or any regulation adopted pursuant thereto, or upon proof that a notary public has been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a crime described in paragraph (c) of subsection 2 of NRS 240.010:
- (a) The appointment of the notary public may be suspended for a period determined by the Secretary of State, but not exceeding the time remaining on the appointment;
- (b) The appointment of the notary public may be revoked after a hearing; or
- (c) The notary public may be assessed a civil penalty of not more than \$2,000 for each violation.





- 5. If the Secretary of State revokes or suspends the appointment of a notary public pursuant to this section, the Secretary of State shall:
- (a) Notify the notary public in writing of the revocation or suspension;
- (b) Cause notice of the revocation or suspension to be published on the website of the Secretary of State; and
- (c) If a county clerk has issued a certificate of permission to perform marriages to the notary public pursuant to NRS 122.064, notify the county clerk of the revocation or suspension.
- 6. Except as otherwise provided by law, the Secretary of State may assess the civil penalty that is authorized pursuant to this section upon a notary public whose appointment has expired if the notary public committed the violation that justifies the civil penalty before his or her appointment expired.
- 7. The appointment of a notary public may be suspended or revoked by the Secretary of State pending a hearing if the Secretary of State believes it is in the public interest or is necessary to protect the public.
  - **Sec. 5.** NRS 240.1993 is hereby amended to read as follows:
- 240.1993 1. An electronic notary public may perform an electronic notarial act using audio-video communication in accordance with NRS 240.181 to 240.206, inclusive, and any rules or regulations adopted by the Secretary of State for a person who is physically located:
  - (a) In this State:

- (b) Outside this State but within the United States; or
- (c) Outside the United States if:
- (1) The electronic notary public has no actual knowledge of the electronic notarial act being prohibited in the jurisdiction in which the person is physically located; and
- (2) The person placing his or her electronic signature on the electronic document confirms to the electronic notary public that the requested electronic notarial act and the electronic document:
- (I) Are part of or pertain to a matter that is to be filed with or is currently before a court, governmental entity or other entity in the United States;
  - (II) Relate to property located in the United States; or
- (III) Relate to a transaction substantially connected to the United States.
- 2. An electronic notary public who is registered with the Secretary of State pursuant to NRS 240.192 [may] shall not perform an electronic notarial act using audio-video communication in accordance with NRS 240.181 to 240.206, inclusive, and any rules or regulations adopted by the Secretary of State [if] unless the





electronic notary public is physically present in this State at the time of performing the electronic notarial act, regardless of whether the person who placed the electronic signature on the electronic document is physically located in another jurisdiction at the time of the electronic notarial act. The validity of the notarial act will be determined by applying the laws of this State.

**Sec. 6.** NRS 240A.100 is hereby amended to read as follows:

- 240A.100 1. A person who wishes to engage in the business of a document preparation service must be registered by the Secretary of State pursuant to this chapter. An applicant for registration must be:
  - (a) A natural person;

- (b) A citizen or legal resident of the United States or hold a valid Employment Authorization Document issued by the United States Citizenship and Immigration Services of the Department of Homeland Security; and
  - (c) At least 18 years of age.
- 2. The Secretary of State shall not register as a document preparation service any person:
- (a) Who is suspended or has previously been disbarred from the practice of law in any jurisdiction;
- (b) Whose registration as a document preparation service in this State or another state has previously been revoked for cause;
- (c) Whose appointment or registration as a notary public in this State or another state has been previously revoked or suspended for cause:
- (d) Who has previously been convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a gross misdemeanor or a category D felony pursuant to NRS 240A.290; or
- (e) Who has, within the 10 years immediately preceding the date of the application for registration as a document preparation service, been:
- (1) Convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, a crime involving theft, fraud or dishonesty;
- (2) Convicted of, or entered a plea of guilty, guilty but mentally ill or nolo contendere to, the unauthorized practice of law pursuant to NRS 7.285 or the corresponding statute of any other jurisdiction; or
- (3) Adjudged by the final judgment of any court to have committed an act involving theft, fraud or dishonesty.
- 3. An application for registration as a document preparation service must be made under penalty of perjury on a form prescribed by regulation of the Secretary of State and must be accompanied by:
  - (a) A nonrefundable application fee of \$100; [and]





- (b) A list of each business entity or sole proprietorship under which the applicant intends to perform document preparation services; and
- (c) For each business entity or sole proprietorship listed pursuant to paragraph (b), a cash bond or surety bond meeting the requirements of NRS 240A.120 or proof that the applicant is covered by a bond filed by a business entity pursuant to NRS 240A.123.
- 4. An applicant for registration must submit to the Secretary of State a declaration under penalty of perjury stating that the applicant has not had a certificate or license as a document preparation service revoked or suspended in this State or any other state or territory of the United States.
- 5. After the investigation of the history of the applicant is completed, the Secretary of State shall issue a certificate of registration if the applicant is qualified for registration and has complied with the requirements of this section. Each certificate of registration must bear the name of the registrant and a registration number unique to that registrant. The Secretary of State shall maintain a record of the name and registration number of each registrant.
- 6. An application for registration as a document preparation service that is not completed within 120 days after the date on which the application was submitted must be denied. If an application is denied pursuant to this subsection, the applicant may submit a new application.
  - **Sec. 7.** NRS 240A.110 is hereby amended to read as follows:
- 240A.110 1. The registration of a document preparation service is valid for 1 year after the date of issuance of the certificate of registration, unless the registration is suspended or revoked. Except as otherwise provided in this section, the registration may be renewed subject to the same conditions as the initial registration. An application for renewal must be made under penalty of perjury on a form prescribed by regulation of the Secretary of State and must be accompanied by:
  - (a) A renewal fee of \$50; [and]
- (b) A list of each business entity or sole proprietorship under which the applicant performs document preparation services; and
- (c) For each entity listed pursuant to paragraph (b), a cash bond or surety bond meeting the requirements of NRS 240A.120 or proof that the applicant is covered by a bond filed by a business entity pursuant to NRS 240A.123, unless the bond previously filed by the registrant remains on file and in effect.
- 2. The registration of a registrant who holds a valid Employment Authorization Document issued by the United States





Citizenship and Immigration Services of the Department of Homeland Security must expire on the date on which that person's employment authorization expires.

3. The Secretary of State may:

- (a) Conduct any investigation of a registrant that the Secretary of State deems appropriate.
- (b) Require a registrant to submit a complete set of fingerprints and written permission authorizing the Secretary of State to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.
- 4. After any investigation of the history of a registrant is completed, unless the Secretary of State elects or is required to deny renewal pursuant to this section or NRS 240A.270, the Secretary of State shall renew the registration if the registrant is qualified for registration and has complied with the requirements of this section.
  - **Sec. 8.** NRS 240A.120 is hereby amended to read as follows:
- 240A.120 1. Except as otherwise provided in NRS 240A.123 and 240A.125, a registrant shall file with the Secretary of State for each business entity or sole proprietorship under which he or she performs or intends to perform document preparation services a cash bond or surety bond in the penal sum of \$25,000 which is approved as to form by the Attorney General. [and] Each cash bond or surety bond must be conditioned to provide:
- (a) Indemnification to a client or any other person who is determined in an action or proceeding to have suffered damage as a result of:
- (1) An act or omission of the registrant, or an agent or employee of the registrant, which violates a provision of this chapter or a regulation or order adopted or issued pursuant thereto;
- (2) A wrongful failure or refusal by the registrant, or an agent or employee of the registrant, to provide services in accordance with a contract entered into pursuant to NRS 240A.190;
- (3) The fraud, dishonesty, negligence or other wrongful conduct of the registrant or an agent or employee of the registrant; or
- (4) An act or omission of the registrant in violation of any other federal or state law for which the return of fees, an award of damages or the imposition of sanctions have been awarded by a court of competent jurisdiction in this State; or
- (b) Payment to the Secretary of State for any civil penalty or award of attorney's fees or costs of suit owing and unpaid by the registrant to the Secretary of State pursuant to this chapter.





- 2. No part of the bond may be withdrawn while the registration of the registrant remains in effect, or while a proceeding to suspend or revoke the registration is pending.
  - 3. If a surety bond is filed pursuant to subsection 1:
- (a) The bond must be executed by the registrant as principal and by a surety company qualified and authorized to do business in this State.
- (b) The bond must cover the period of the registration of the registrant, except when the surety is released in accordance with this section.
- (c) The surety shall pay any final, nonappealable judgment of a court of this State that has jurisdiction, upon receipt of written notice that the judgment is final.
- (d) The bond may be continuous, but regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.
- (e) If the penal sum of the bond is exhausted, the surety shall give written notice to the Secretary of State and the registrant within 30 days after its exhaustion.
- (f) The surety may be released after giving 30 days' written notice to the Secretary of State and the registrant, but the release does not discharge or otherwise affect any claim resulting from an act or omission which is alleged to have occurred while the bond was in effect.
- 4. Except as otherwise provided in this subsection, if a cash bond is filed pursuant to subsection 1, the Secretary of State may retain the bond until the expiration of 3 years after the date the registrant has ceased to do business, or 3 years after the date of the expiration or revocation of the registration, to ensure that there are no outstanding claims against the bond. A court of competent jurisdiction may order the return of the bond, or any part of the bond, at an earlier date upon evidence satisfactory to the court that there are no outstanding claims against the bond or that the part of the bond retained by the Secretary of State is sufficient to satisfy any outstanding claims. Interest on a cash bond filed pursuant to subsection 1 must accrue to the account of the depositor.
- 5. The registration of a registrant is suspended by operation of law when the registrant is no longer covered by a bond or the penal sum of the bond is exhausted. If the Secretary of State receives notice pursuant to subsection 3 that the penal sum of a surety bond is exhausted or that the surety is being released, the Secretary of State shall immediately notify the registrant in writing that his or her registration is suspended by operation of law until another bond is filed in the same manner and amount as the former bond.





- 6. The Secretary of State may reinstate the registration of a registrant whose registration has been suspended pursuant to subsection 5 if, before the current term of the registration expires, the registrant files with the Secretary of State a new bond meeting the requirements of this section.
- 7. Except as specifically authorized or required by this chapter, a registrant shall not make or cause to be made any oral or written reference to the registrant's compliance with the requirements of this section.
  - **Sec. 9.** NRS 240A.123 is hereby amended to read as follows:
- 240A.123 1. A business entity that has one or more employees who perform document preparation services [may] shall file with the Secretary of State a cash bond or surety bond on behalf of all employees of the business entity who are registered as a document preparation service and provide document preparation services for the business entity. Any such bond must be for the applicable amount set forth in NRS 240A.125.
- 2. If a business entity files a cash bond or surety bond pursuant to subsection 1, the employees of the business entity who are covered by the bond are not required to file a cash bond or surety bond pursuant to NRS 240A.120 [...] with respect to documentation preparation services provided for that business entity.
- 3. A cash or surety bond filed pursuant to subsection 1 must be approved as to form by the Attorney General and conditioned to provide:
- (a) Indemnification to a client or any other person who is determined in an action or proceeding to have suffered damage as a result of:
- (1) An act or omission of a registrant employed by the business entity which violates a provision of this chapter or a regulation or order adopted or issued pursuant thereto;
- (2) A wrongful failure or refusal by a registrant employed by the business entity to provide services in accordance with a contract entered into pursuant to NRS 240A.190;
- (3) The fraud, dishonesty, negligence or other wrongful conduct of a registrant employed by the business entity; or
- (4) An act or omission of a registrant employed by the business entity in violation of any other federal or state law for which the return of fees, an award of damages or the imposition of sanctions have been awarded by a court of competent jurisdiction in this State; or
- (b) Payment to the Secretary of State for any civil penalty or award of attorney's fees or costs of suit owing and unpaid by a registrant employed by the business entity to the Secretary of State pursuant to this chapter.





- 4. No part of a bond filed pursuant to this section may be withdrawn while the registration of a registrant employed by the business entity remains in effect, or while a proceeding to suspend or revoke the registration is pending.
  - 5. If a surety bond is filed pursuant to subsection 1:
- (a) Except as otherwise provided in subsection 6, the bond must be executed by the business entity as principal and by a surety company qualified and authorized to do business in this State.
- (b) The bond must cover the period of registration of each employee of the business entity who is registered as a document preparation service and performs document preparation services for the business entity, except when the surety is released in accordance with this section.
- (c) The surety shall pay any final, nonappealable judgment of a court of this State that has jurisdiction, upon receipt of written notice that the judgment is final.
- (d) The bond may be continuous, but regardless of the duration of the bond, the aggregate liability of the surety does not exceed the penal sum of the bond.
- (e) If the penal sum of the bond is exhausted, the surety shall give written notice to the Secretary of State and the business entity within 30 days after its exhaustion.
- (f) The surety may be released after giving 30 days' written notice to the Secretary of State and the business entity, but the release does not discharge or otherwise affect any claim resulting from an act or omission which is alleged to have occurred while the bond was in effect.
- 6. If a business entity employs only one registrant to perform document preparation services, the registrant must be named as principal in the bond filed pursuant to this section.
- 7. Except as otherwise provided in this subsection, if a cash bond is filed pursuant to subsection 1, the Secretary of State may retain the bond until the expiration of 3 years after the date the business entity has ceased to do business, or 3 years after the date of the expiration or revocation of the registration of each employee of the business entity who is registered as a document preparation service and performs document preparation services for the business entity, to ensure that there are no outstanding claims against the bond. A court of competent jurisdiction may order the return of the bond, or any part of the bond, at an earlier date upon evidence satisfactory to the court that there are no outstanding claims against the bond or that the part of the bond retained by the Secretary of State is sufficient to satisfy any outstanding claims. Interest on a cash bond filed pursuant to subsection 1 must accrue to the account of the depositor.





- 8. The registration of a registrant is suspended by operation of law when the registrant is no longer covered by a bond or the penal sum of the bond is exhausted. If the Secretary of State receives notice pursuant to subsection 5 that the penal sum of a surety bond is exhausted or that the surety is being released, the Secretary of State shall immediately notify the business entity and each registrant covered under the bond in writing that their registration is suspended by operation of law until another bond is filed in the same manner and amount as the former bond.
- 9. The Secretary of State may reinstate the registration of a registrant whose registration has been suspended pursuant to subsection 8 if, before the current term of the registration expires, the business entity files with the Secretary of State a new bond meeting the requirements of this section or the registrant files with the Secretary of State a new bond meeting the requirements of NRS 240A.120. A registrant who files a new bond pursuant to NRS 240A.120 shall not provide document preparation services for a business entity that is subject to the requirements of this section but has not filed a bond pursuant to subsection 1.
- 10. Except as specifically authorized or required by this chapter, a business entity or registrant shall not make or cause to be made any oral or written reference to the registrant's compliance with the requirements of this section.
  - **Sec. 10.** NRS 240A.240 is hereby amended to read as follows: 240A.240 1. A registrant shall not:
- (a) After the date of the last service performed for a client, retain any fees or costs for services not performed or costs not incurred.
  - (b) Make, orally or in writing:
- (1) A promise of the result to be obtained by the filing or submission of any document, unless the registrant has some basis in fact for making the promise;
- (2) A statement that the registrant has some special influence with or is able to obtain special treatment from the court or agency with which a document is to be filed or submitted; or
- (3) A false or misleading statement to a client if the registrant knows that the statement is false or misleading or knows that the registrant lacks a sufficient basis for making the statement.
- (c) Except as otherwise provided in subsection 3, in any advertisement or written description of the registrant or the services provided by the registrant, or on any letterhead or business card of the registrant, use the term "legal aid," "legal services," "law office," "notario," "notario publico," "notary public," "notary," "paralegal," "legal assistant," "licensed," "licenciado," "attorney," "lawyer" or any similar term, in English, Spanish or any other language, which implies that the registrant:





- (1) Offers services without charge if the registrant does not do so;
  - (2) Is an attorney authorized to practice law in this State; or
  - (3) Is acting under the direction and supervision of an attorney.
  - (d) Represent himself or herself, orally or in writing, as a paralegal or legal assistant which implies that the registrant is acting under the direction and supervision of an attorney licensed to practice law in this State.
  - (e) Except as otherwise provided in subsection 2, negotiate with another person concerning the rights or responsibilities of a client, communicate the position of a client to another person or convey the position of another person to a client.
  - (f) Except as otherwise provided in subsection 2, appear on behalf of a client in a court proceeding or other formal adjudicative proceeding, unless the registrant is ordered to appear by the court or presiding officer.
  - (g) Except as otherwise provided in subsection 2, provide any advice, explanation, opinion or recommendation to a client about possible legal rights, remedies, defenses, options or the selection of documents or strategies, except that a registrant may provide to a client published factual information, written or approved by an attorney, relating to legal procedures, rights or obligations.
- (h) Engage in the business of a document preparation service for an entity that is not covered by a cash bond or surety bond filed pursuant to NRS 240A.120 or 240A.123.
- (i) Seek or obtain from a client a waiver of any provision of this chapter. Any such waiver is contrary to public policy and void.
- 2. The provisions of paragraphs (e), (f) and (g) of subsection 1 do not apply to a registrant to the extent that compliance with such provisions would violate federal law.
- 3. A registrant who is also a notary public appointed by the Secretary of State pursuant to chapter 240 of NRS and in good standing with the Secretary of State may, in any advertisement or written description of the registrant or the services provided by the registrant, use the term "notary public."
- 4. If the Secretary of State finds a registrant in violation of the provisions of subsection 1, the Secretary of State may:
- (a) Suspend the registration of the registrant for not less than 1 year.
- (b) Revoke the registration of the registrant for a third or subsequent offense.
  - (c) Assess a penalty of not more than \$1,000 for each violation.





- **Sec. 11.** NRS 240A.260 is hereby amended to read as follows:
- 240A.260 1. If the Secretary of State obtains information that a provision of this chapter or a regulation or order adopted or issued pursuant thereto has been violated by a registrant or another person, the Secretary of State may conduct or cause to be conducted an investigation of the alleged violation.
- 2. If, within a reasonable period of time, a registrant fails to provide the Secretary of State with any information requested by the Secretary of State during an investigation of an alleged violation by the registrant, the Secretary of State may suspend or refuse to renew the registration of the registrant.
- 3. If, after investigation, the Secretary of State determines that a violation has occurred, the Secretary of State may:
- (a) Serve, by certified mail addressed to the person who has committed the violation, a written order directing the person to cease and desist from the conduct constituting the violation. The order must notify the person that any willful violation of the order may subject the person to prosecution and criminal penalties pursuant to NRS 240A.290 and penalties pursuant to this section and NRS 240A.280.
  - (b) If a registrant has committed the violation:
    - (1) Revoke or suspend the registration of the registrant; or
- (2) Impose a penalty of not more than \$1,000 for each violation. The authority of the Secretary of State to impose a penalty applies regardless of whether the person is still a registrant at the time that the penalty is imposed so long as the person was a registrant at the time that he or she committed the violation. The Secretary of State shall afford any person upon whom such a penalty is imposed an opportunity for a hearing pursuant to the provisions of NRS 233B.121.
- (c) If a person engaged in the business of a document preparation service and was not a registrant at the time of the violation, after a hearing on the matter, impose a penalty for each violation of not more than \$5,000 or the amount of economic benefit derived from the violation, whichever is greater.
- (d) Refer the alleged violation to the Attorney General or a district attorney for commencement of a civil action against the person pursuant to NRS 240A.280.
- (e) Refer the alleged violation to the Attorney General or a district attorney for prosecution of the person pursuant to NRS 240A.290.
- (f) Take any combination of the actions described in this subsection.
- 4. Any person who is aware of a violation of this chapter by a document preparation service, a person applying for registration as a





document preparation service or a person who is engaging in the business of a document preparation service and is not registered by the Secretary of State pursuant to this chapter may file a complaint with the Secretary of State setting forth the details of the violation that are known by the person who is filing the complaint.

- 5. If the Secretary of State receives a complaint alleging a violation of this chapter, the Secretary of State shall notify the document preparation service or other person who is the subject of the complaint. The notice:
  - (a) Must be sent by certified mail;

- (b) Is deemed to have been received 3 days after the notice is mailed:
  - (c) Must include, without limitation:
- (1) A description of each allegation contained in the complaint;
- (2) A statement of each statutory provision which the document preparation service or other person is alleged to have violated:
- (3) An explanation of any disciplinary action that may be taken against the document preparation service or other person if the Secretary of State determines that the alleged violation occurred;
- (4) A statement that the document preparation service or other person must respond to the notice not later than 15 days after the notice is received; and
- (5) Instructions on the manner in which the document preparation service or other person may respond to the notice.
- 6. Any determination by the Secretary of State that a provision of this chapter or a regulation or order adopted or issued pursuant thereto has been violated by a registrant or another person and the imposition of any penalty by the Secretary of State pursuant to this section is a public record.
- 7. Except as otherwise necessary to refer an alleged violation for the commencement of a civil action or prosecution pursuant to paragraph (d) or (e), respectively, of subsection 3, information and documents obtained by or filed with the Secretary of State in connection with an investigation concerning a possible violation of this chapter are not public information and are confidential.
- **Sec. 12.** 1. If, pursuant to NRS 240A.123, as amended by section 9 of this act, a business entity files with the Secretary of State a cash bond or surety bond on behalf of an employee of the business entity and the employee is not required to file any other cash bond or surety bond with the Secretary of State pursuant to NRS 240A.120, as amended by section 8 of this act, or 240A.123, as amended by section 9 of this act, the Secretary of State shall:





- (a) Return a cash bond filed by the employee pursuant to NRS 240A.120, as that section existed before the effective date of section 8 of this act.
- (b) Allow the release of a surety bond filed by the employee pursuant to NRS 240A.120, as that section existed before the effective date of section 8 of this act.
- 2. As used in this section, "business entity" has the meaning ascribed to it in NRS 240A.015.
- **Sec. 13.** 1. This section becomes effective upon passage and approval.
- 2. Sections 1, 3, 5 and 11 of this act become effective on October 1, 2025.
- 3. Sections 2, 4, 6 to 10, inclusive, and 12 of this act become effective:
- (a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and
  - (b) On January 1, 2026, for all other purposes.





