

CHAPTER.....

AN ACT relating to businesses; requiring the Secretary of State to suspend the state business license of a person who owes a debt to a state agency under certain circumstances; requiring the Secretary of State to reinstate the suspended license under certain circumstances; revising provisions governing notifications of certain debts collected by the State Controller; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law, with certain exceptions, prohibits a person from conducting a business in this State unless the person first obtains a state business license issued by the Secretary of State. (NRS 76.100) **Section 1** of this bill requires the Secretary of State to suspend a state business license if the State Controller has notified the Secretary of State that the holder of the state business license owes a debt to a state agency that has been assigned to the State Controller for collection and the holder has not: (1) satisfied the debt; (2) entered into an agreement with the State Controller for the payment of the debt; or (3) demonstrated to the State Controller that the debt is not valid. **Section 1** also requires the Secretary of State to reinstate such a suspended state business license if the State Controller notifies the Secretary of State in writing that the holder of the license has: (1) satisfied the debt; (2) entered into an agreement with the State Controller for the payment of the debt; or (3) demonstrated to the State Controller that the debt is not valid.

Existing law requires certain agencies, boards and commissions that regulate an occupation or profession to provide to the State Controller the name and certain information concerning persons to whom the agencies, boards and commissions have issued licenses to engage in a profession or occupation. If the State Controller determines that the name of such a licensee appears on the list maintained by the State Controller of persons who owe a debt to an agency that has been assigned to the State Controller for collection, the State Controller is required to: (1) send a written notice to the licensee stating that the licensing agency, board or commission is prohibited from renewing the license of the licensee unless the licensee pays the debt, enters into an agreement for the payment of the debt or demonstrates to the State Controller that the debt is not valid; and (2) notify the licensing agency, board or commission if the licensee does not pay the debt, enter into an agreement for the payment of the debt or demonstrate that the debt is not valid. (NRS 353C.1965) **Section 2** of this bill makes these provisions of existing law applicable to state business licenses issued by the Secretary of State so that: (1) the Secretary of State is required to provide to the State Controller certain information concerning persons to whom the Secretary of State has issued a state business license; (2) the State Controller is required to send the written notice required by existing law to the holder of the state business license if the State Controller determines that the holder of the state business license appears on the list maintained by the State Controller of persons who owe a debt to an agency that has been assigned to the State Controller for collection; and (3) the State Controller is required to notify the Secretary of State if the licensee does not pay the debt, enter into an agreement for the payment of the debt or demonstrate that the debt is not valid.



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

**Section 1.** Chapter 76 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. The Secretary of State shall suspend a state business license if the State Controller has informed the Secretary of State pursuant to subsection 5 of NRS 353C.1965 that the holder of the state business license owes a debt to an agency that has been assigned to the State Controller for collection and the holder has not:*

- (a) Satisfied the debt;*
- (b) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or*
- (c) Demonstrated to the State Controller that the debt is not valid.*

*2. The Secretary of State shall reinstate a state business license that was suspended pursuant to subsection 1 if the State Controller notifies the Secretary of State in writing that the holder of the state business license has:*

- (a) Satisfied the debt;*
- (b) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or*
- (c) Demonstrated to the State Controller that the debt is not valid.*

*3. As used in this section:*

- (a) "Agency" has the meaning ascribed to it in NRS 353C.020.*
- (b) "Debt" has the meaning ascribed to it in NRS 353C.040.*

**Sec. 2.** NRS 353C.1965 is hereby amended to read as follows:

353C.1965 1. The State Controller shall establish and maintain a list of persons who owe a debt to an agency that has been assigned to the State Controller for collection pursuant to NRS 353C.195.

2. A licensing agency shall provide to the State Controller:

- (a) The name, address and social security number or employer identification number, as applicable, of each licensee; and
- (b) The business identification number of the licensee, if the licensee has a state business license.

3. A licensing agency shall provide the information described in subsection 2:



(a) On or before February 1 of each year for licensees who renewed licenses from July 1 through December 31 of the previous calendar year; or

(b) On or before August 1 of each year for licensees who renewed licenses from January 1 through June 30 of the current calendar year.

4. If the State Controller determines that the name of any licensee appears on the list established by the State Controller pursuant to subsection 1, the State Controller shall send a written notice to the licensee, which includes, without limitation:

(a) The amount of the debt;

(b) A request for payment of the debt;

(c) Notification that the licensee may enter into an agreement with the State Controller pursuant to NRS 353C.130 for the payment of the debt;

(d) Notification that the licensee must respond to the notice within 30 days after the date on which the notice was sent;

(e) Notification that the licensee may request a hearing to determine the validity of the debt not later than 30 days after the date on which the notice was sent; and

(f) Notification that the licensing agency is prohibited from renewing the license of the licensee unless the licensee pays the debt, enters into an agreement for the payment of the debt pursuant to NRS 353C.130 or demonstrates to the State Controller that the debt is not valid.

5. The State Controller shall notify the licensing agency if the licensee does not pay the debt that has been assigned to the State Controller for collection, enter into an agreement for the payment of the debt pursuant to NRS 353C.130 or demonstrate that the debt is not valid. A licensing agency shall not renew the license of the licensee who is the subject of the notification until the State Controller notifies the licensing agency that the licensee has:

(a) Satisfied the debt;

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

(c) Demonstrated that the debt is not valid.

6. Information shared between the State Controller and a licensing agency to carry out the provisions of this section is not a public record.

7. A licensing agency may not be held liable in any civil action for any action taken by the licensing agency in good faith to comply with the provisions of this section.



8. The State Controller shall verify with the Secretary of State the information related to the state business license of each licensee.

9. The State Controller shall adopt such regulations as the State Controller determines necessary or advisable to carry out the provisions of this section.

10. As used in this section:

(a) "License" means *a state business license or* any license, certification, registration, permit or other authorization that grants a person the authority to engage in a profession or occupation in this State.

(b) "Licensee" means a person to whom a license has been issued.

(c) "Licensing agency" means *the Secretary of State or* any agency, board or commission that regulates an occupation or profession except for the Department of Motor Vehicles, the Division of Insurance of the Department of Business and Industry, the Commissioner of Insurance or any local government.

(d) *"State business license" has the meaning ascribed to it in NRS 76.030.*

**Sec. 3.** Notwithstanding the provisions of NRS 218D.430 and 218D.435, a committee, other than the Assembly Standing Committee on Ways and Means and the Senate Standing Committee on Finance, may vote on this act before the expiration of the period prescribed for the return of a fiscal note in NRS 218D.475. This section applies retroactively from and after March 22, 2021.

**Sec. 4.** This act becomes effective on July 1, 2021.

