

REQUIRES TWO-THIRDS MAJORITY VOTE

(§§ 12, 14.45)

(Reprinted with amendments adopted on April 19, 2021)

FIRST REPRINT

S.B. 198

SENATE BILL NO. 198—SENATORS CANNIZZARO AND RATTI

MARCH 9, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Provides for the regulation of on-demand pay providers. (BDR 52-847)

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

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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 financial services; requiring a person who provides on-demand pay services through certain contractual arrangements with an employer or certain other persons to obtain a license from the Commissioner of Financial Institutions; imposing certain requirements on such licensees; requiring a person who provides on-demand pay services and who is not such a licensee to comply with certain provisions relating to installment loans and high-interest loans; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Sections 2-21** of this bill establish provisions relating to a business that delivers
2 to a person money that represents income that the person has earned for services
3 rendered to an employer but that has not yet been paid to the person. **Section 8** of
4 this bill defines “on-demand pay provider” as a person who engages in such a
5 business. **Section 9** of this bill defines “on-demand pay services” as the delivery to
6 a person of money that represents earned but unpaid income.

7 **Sections 7 and 10** of this bill establish two types of on-demand pay providers,
8 which are referred to as employer-integrated on-demand pay providers and third-
9 party on-demand pay providers. **Section 7** generally defines “employer-integrated
10 on-demand pay provider” to mean an on-demand pay provider who provides on-
11 demand pay services to a person through a contractual arrangement with the
12 person’s employer in which the provider verifies the earned income of the person
13 through data or information provided by the employer. **Section 10** defines “third-
14 party on-demand pay provider” to mean an on-demand pay provider who is not an
15 employer-integrated on-demand pay provider.

16 **Section 12** of this bill prohibits a person from engaging in the business of an
17 employer-integrated on-demand pay provider without a license issued by the



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18 Commissioner of Financial Institutions. **Sections 12-14** of this bill set forth certain
19 requirements for licensure as an employer-integrated on-demand pay provider.
20 **Section 14.2** of this bill requires each holder of a license as an employer-integrated
21 on-demand pay provider to maintain a surety bond. **Sections 14.3-14.4** of this bill
22 authorize the Commissioner to conduct certain examinations of licensees. **Section**
23 **14.45** of this bill requires the Commissioner to charge a fee for such examinations.
24 **Sections 14.5-14.6** of this bill set forth certain procedures for disciplinary actions
25 against a licensee or person who violates the provisions of this bill. **Section 14.65**
26 of this bill sets forth a process for filing complaints against a licensee. **Sections**
27 **14.7 and 14.75** of this bill requires a licensee to submit a notice to and obtain the
28 approval of the Commissioner before taking certain actions. **Section 15** of this bill
29 requires a licensee to submit certain information to the Commissioner annually.

30 **Section 16** of this bill sets forth certain requirements for the operation of an
31 employer-integrated on-demand pay provider. **Section 17** of this bill provides that
32 if an employer-integrated on-demand pay provider is unable to be repaid the
33 amount of money delivered to a recipient of on-demand pay services, the provider
34 is prohibited from: (1) collecting or attempting to collect that money from the
35 recipient; (2) reporting certain information to a consumer reporting agency; or (3)
36 debiting the bank account of the user without his or her affirmative consent.
37 **Section 18** of this bill prohibits an employer-integrated on-demand pay provider
38 from sharing certain fees with or paying certain compensation to an employer.

39 **Section 20** of this bill provides that on-demand pay services provided by an
40 employer-integrated on-demand pay provider are not a loan and are not subject to
41 any provisions of existing law governing loans. **Section 22** of this bill provides that
42 the provisions of existing law governing persons engaged in the business of
43 transmitting money do not apply to an employer-integrated on-demand pay
44 provider.

45 **Section 21** of this bill provides that on-demand pay services provided by a
46 third-party on-demand pay provider are a loan. **Section 21** prohibits a person from
47 engaging in the business of a third-party on-demand pay provider unless the person
48 has been issued a license pursuant to the provisions of existing law governing
49 installment loans or high-interest loans, as applicable. (Chapters 604A and 675 of
50 NRS)

51 **Section 19** of this bill authorizes the Commissioner to adopt regulations for the
52 administration and enforcement of **sections 2-21**. **Section 22.5** of this bill requires
53 the Commissioner to, on or before December 31, 2023, submit a report to the
54 Legislature containing certain information relating to the regulation of on-demand
55 pay services.

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

1 **Section 1.** Title 52 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 21, inclusive, of this act.

4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 11,*
6 *inclusive, of this act have the meanings ascribed to them in those*
7 *sections.*

8 **Sec. 3.** *“Commissioner” means the Commissioner of*
9 *Financial Institutions.*



1 **Sec. 4.** *“Earned but unpaid income” means earned income*
2 *that has not yet been paid to the user by an employer.*

3 **Sec. 5.** *“Earned income” means money that has accrued to*
4 *the benefit of a user for services rendered to an employer.*

5 **Sec. 6. 1.** *“Employer” means:*

6 (a) *A person who employs a user; or*

7 (b) *Any other person who is contractually obligated to pay a*
8 *user any sum of money on an hourly, project-based, piecework or*
9 *other basis for services provided by the user.*

10 **2.** *The term does not include:*

11 (a) *A customer of an employer; or*

12 (b) *Any other person whose obligation to make a payment to a*
13 *user is based solely on the agency relationship between the user*
14 *and the employer.*

15 **Sec. 7.** *“Employer-integrated on-demand pay provider”*
16 *means an on-demand pay provider who provides on-demand pay*
17 *services to a user through a contractual arrangement with the*
18 *user’s employer or a person who provides payroll services to the*
19 *employer, in which the provider verifies the earned income of*
20 *the user through data or information provided by the employer or*
21 *person, as applicable.*

22 **Sec. 7.5.** *“Licensee” means a person who has been issued*
23 *one or more licenses to engage in the business of an employer-*
24 *integrated on-demand pay provider.*

25 **Sec. 8.** *“On-demand pay provider” means a person who is*
26 *engaged in the business of providing on-demand pay services to a*
27 *user in this State.*

28 **Sec. 9.** *“On-demand pay services” means the delivery to a*
29 *user of money that represents earned but unpaid income.*

30 **Sec. 10.** *“Third-party on-demand pay provider” means an*
31 *on-demand pay provider who is not an employer-integrated on-*
32 *demand pay provider.*

33 **Sec. 11.** *“User” means a natural person who receives on-*
34 *demand pay services.*

35 **Sec. 12. 1.** *A person shall not engage in the business of an*
36 *employer-integrated on-demand pay provider unless the person*
37 *has been issued a license by the Commissioner pursuant to this*
38 *section.*

39 **2.** *A person who wishes to be licensed as an employer-*
40 *integrated on-demand pay provider must submit to the*
41 *Commissioner the fee established pursuant to subsection 5 and an*
42 *application, on a form prescribed by the Commissioner, which*
43 *must contain:*

44 (a) *The name and address of the applicant;*



1 (b) *Financial statements of the applicant for the immediately*
2 *preceding year which have been audited by an independent*
3 *certified public accountant;*

4 (c) *A copy of the proposed terms and conditions or terms of*
5 *use which will govern the provision of on-demand pay services by*
6 *the applicant;*

7 (d) *A copy of the policy of the applicant relating to the privacy*
8 *of information concerning users;*

9 (e) *The schedule of fees proposed to be charged to a user or*
10 *employer for the provision of on-demand pay services; and*

11 (f) *Any other information required by any regulations adopted*
12 *by the Commissioner pursuant to section 19 of this act.*

13 3. *Upon receipt of the application and when satisfied that the*
14 *applicant is entitled thereto, the Commissioner shall issue to the*
15 *applicant a license as an employer-integrated on-demand pay*
16 *provider.*

17 4. *Except as otherwise provided by regulation of the*
18 *Commissioner, a license issued pursuant to this section expires*
19 *annually on the anniversary of the issuance of the license and*
20 *may be renewed upon submission of an application for renewal*
21 *containing such information as the Commissioner may require by*
22 *regulation.*

23 5. *The Commissioner shall establish by regulation fees for*
24 *the issuance and renewal of a license issued pursuant to this*
25 *section.*

26 6. *A license issued pursuant to this section is not*
27 *transferable or assignable.*

28 **Sec. 12.5.** 1. *In addition to any other requirements set forth*
29 *in this chapter, each applicant for licensure as an employer-*
30 *integrated on-demand pay provider must submit:*

31 (a) *Proof satisfactory to the Commissioner that the applicant:*

32 (1) *Is competent to transact the business of an employer-*
33 *integrated on-demand pay provider.*

34 (2) *Has not made a false statement on the application for*
35 *the license.*

36 (3) *Has not committed any of the acts specified in*
37 *subsection 2.*

38 (4) *Has not had a license as an employer-integrated on-*
39 *demand pay provider suspended or revoked within the 10 years*
40 *immediately preceding the date of the application.*

41 (5) *Has not been convicted of, or entered a plea of nolo*
42 *contendere to, a felony or any crime involving fraud,*
43 *misrepresentation or moral turpitude.*

44 (6) *If the applicant is a natural person:*

45 (1) *Is at least 21 years of age; and*



1 (ii) *Is a citizen of the United States or lawfully entitled*
2 *to work in the United States.*

3 (b) *A complete set of his or her fingerprints and written*
4 *permission authorizing the Division of Financial Institutions of*
5 *the Department of Business and Industry to forward the*
6 *fingerprints to the Central Repository for Nevada Records of*
7 *Criminal History for submission to the Federal Bureau of*
8 *Investigation for its report.*

9 2. *In addition to any other lawful reasons, the Commissioner*
10 *may refuse to issue a license to an applicant for licensure as an*
11 *employer-integrated on-demand pay provider if the applicant:*

12 (a) *Has committed or participated in any act for which, if*
13 *committed or done by a licensee, would be grounds for the*
14 *suspension or revocation of the license.*

15 (b) *Has previously been refused a license pursuant to this*
16 *chapter or has had such a license suspended or revoked.*

17 (c) *Has participated in any act which was a basis for the*
18 *refusal or revocation of a license pursuant to this chapter.*

19 (d) *Has falsified any of the information submitted to the*
20 *Commissioner in support of the application for the license.*

21 **Sec. 13. 1.** *In addition to the requirements set forth in*
22 *sections 12 and 12.5 of this act, a natural person who applies for*
23 *the issuance or renewal of a license as an employer-integrated on-*
24 *demand pay provider shall:*

25 (a) *Include the social security number of the applicant in the*
26 *application submitted to the Commissioner; and*

27 (b) *Submit to the Commissioner the statement prescribed by*
28 *the Division of Welfare and Supportive Services of the Department*
29 *of Health and Human Services pursuant to NRS 425.520. The*
30 *statement must be completed and signed by the applicant.*

31 2. *The Commissioner shall include the statement required*
32 *pursuant to paragraph (b) of subsection 1 in:*

33 (a) *The application or any other forms that must be submitted*
34 *for the issuance or renewal of the license; or*

35 (b) *A separate form prescribed by the Commissioner.*

36 3. *A license as an employer-integrated on-demand pay*
37 *provider may not be issued or renewed by the Commissioner if the*
38 *applicant:*

39 (a) *Fails to submit the statement required pursuant to*
40 *paragraph (b) of subsection 1; or*

41 (b) *Indicates on the statement submitted pursuant to*
42 *paragraph (b) of subsection 1 that the applicant is subject to a*
43 *court order for the support of a child and is not in compliance*
44 *with the order or a plan approved by the district attorney or other*



1 *public agency enforcing the order for the repayment of the*
2 *amount owed pursuant to the order.*

3 *4. If an applicant indicates on the statement submitted*
4 *pursuant to paragraph (b) of subsection 1 that the applicant is*
5 *subject to a court order for the support of a child and is not in*
6 *compliance with the order or a plan approved by the district*
7 *attorney or other public agency enforcing the order for the*
8 *repayment of the amount owed pursuant to the order, the*
9 *Commissioner shall advise the applicant to contact the district*
10 *attorney or other public agency enforcing the order to determine*
11 *the actions that the applicant may take to satisfy the arrearage.*

12 **Sec. 14. 1.** *If the Commissioner receives a copy of a court*
13 *order issued pursuant to NRS 425.540 that provides for the*
14 *suspension of all professional, occupational and recreational*
15 *licenses, certificates and permits issued to a person who is the*
16 *holder of a license as an employer-integrated on-demand pay*
17 *provider, the Commissioner shall deem the license issued to that*
18 *person to be suspended at the end of the 30th day after the date on*
19 *which the court order was issued unless the Commissioner*
20 *receives a letter issued to the holder of the license by the district*
21 *attorney or other public agency pursuant to NRS 425.550 stating*
22 *that the holder of the license has complied with the subpoena or*
23 *warrant or has satisfied the arrearage pursuant to NRS 425.560.*

24 *2. The Commissioner shall reinstate a license as an*
25 *employer-integrated on-demand pay provider that has been*
26 *suspended by a district court pursuant to NRS 425.540 if the*
27 *Commissioner receives a letter issued by the district attorney or*
28 *other public agency pursuant to NRS 425.550 to the person whose*
29 *license was suspended stating that the person whose license was*
30 *suspended has complied with the subpoena or warrant or has*
31 *satisfied the arrearage pursuant to NRS 425.560.*

32 **Sec. 14.2. 1.** *Each licensee shall have in force a surety*
33 *bond payable to the State of Nevada in the amount of \$35,000.*

34 *2. The bond must be in a form satisfactory to the*
35 *Commissioner, issued by a bonding company authorized to do*
36 *business in this State and must secure the faithful obligations of*
37 *the holder of the license.*

38 *3. A licensee shall, within 10 days after the commencement of*
39 *any action or notice of entry of any judgment against the person*
40 *by any creditor or claimant arising out of the business of an*
41 *employer-integrated on-demand pay provider, give notice thereof*
42 *to the Commissioner by registered or certified mail with details*
43 *sufficient to identify the action or judgment. The surety shall,*
44 *within 10 days after it pays any claim or judgment to a creditor or*
45 *claimant, give notice thereof to the Commissioner by certified mail*



1 *with details sufficient to identify the creditor or claimant and the*
2 *claim or judgment so paid.*

3 *4. Whenever the principal sum of the bond is reduced by*
4 *recoveries or payments thereon, the holder shall furnish:*

5 *(a) A new or additional bond so that the total or aggregate*
6 *principal sum of the bonds equals the sum required pursuant to*
7 *subsection 1; or*

8 *(b) An endorsement, duly executed by the surety, reinstating*
9 *the bond to the required principal sum.*

10 *5. The liability of the surety on a bond to a creditor or*
11 *claimant is not affected by any misrepresentation, breach of*
12 *warranty, failure to pay a premium or other act or omission of the*
13 *licensee, or by any insolvency or bankruptcy of the licensee.*

14 *6. The liability of the surety continues as to all transactions*
15 *entered into in good faith by the creditors and claimants with the*
16 *agents of the licensee within 30 days after:*

17 *(a) The death of the licensee or the dissolution of liquidation*
18 *of the business of the licensee; or*

19 *(b) The termination of the bond,*
20 *↳ whichever occurs first.*

21 **Sec. 14.25.** *Each license as an employer-integrated on-*
22 *demand pay provider shall remain in full force and effect until it*
23 *expires or is surrendered, revoked or suspended as provided in this*
24 *chapter and the regulations adopted pursuant thereto.*

25 **Sec. 14.3.** *1. For the purpose of discovering violations of*
26 *this chapter or securing information lawfully required under this*
27 *chapter, the Commissioner or his or her duly authorized*
28 *representative may, upon reasonable prior notice, examine the*
29 *books, accounts, papers and records used therein of:*

30 *(a) Any licensee;*

31 *(b) Any other person engaged in the business of an employer-*
32 *integrated on-demand pay provider or participating in such*
33 *business as a principal, agent, broker or otherwise; and*

34 *(c) Any person who the Commissioner has reasonable cause to*
35 *believe is violating or is about to violate any provision of this*
36 *chapter, whether or not the person claims to be within the*
37 *authority or beyond the scope of this chapter.*

38 *2. For the purposes of examination, the Commissioner or his*
39 *or her authorized representatives shall have and be given free*
40 *access to the offices and places of business, and the files, safes and*
41 *vaults of such persons.*

42 *3. For the purposes of this section, any person who advertises*
43 *for, solicits or holds himself or herself out as willing to provide on-*
44 *demand pay services through a contractual arrangement with an*



1 *employer is presumed to be engaged in the business of an*
2 *employer-integrated on-demand pay provider.*

3 *4. This section does not entitle the Commissioner or his or*
4 *her authorized representatives to investigate the business or*
5 *examine the books, accounts, papers or records of any attorney*
6 *who is not a person described in subsection 1, other than*
7 *examination of those books, accounts, papers and records*
8 *maintained by such attorney in his or her capacity as a registered*
9 *agent, and then only to the extent such books, accounts, papers*
10 *and records are not subject to any privilege in NRS 49.035 to*
11 *49.115, inclusive.*

12 **Sec. 14.35.** *1. The Commissioner may require the*
13 *attendance of any person and examine him or her under oath*
14 *regarding:*

15 *(a) Any licensee; or*

16 *(b) The subject matter of any audit, examination, investigation*
17 *or hearing.*

18 *2. The Commissioner may require the production of books,*
19 *accounts, papers and records for any audit, examination,*
20 *investigation or hearing.*

21 **Sec. 14.4.** *The Commissioner may annually make an*
22 *examination of the place of business of each licensee and of the*
23 *transactions, books, accounts, papers and records of the person as*
24 *they pertain to the business of an employer-integrated on-demand*
25 *pay provider.*

26 **Sec. 14.45.** *1. The Commissioner shall charge and collect*
27 *from each licensee a fee at the rate established and, if applicable,*
28 *adjusted pursuant to NRS 658.101 for the cost of any supervision,*
29 *audit, examination, investigation or hearing conducted pursuant*
30 *to this chapter or any regulations adopted pursuant thereto.*

31 *2. All money collected by the Commissioner pursuant to*
32 *subsection 1 must be deposited in the State Treasury pursuant to*
33 *the provisions of NRS 658.091.*

34 **Sec. 14.5.** *If the Commissioner finds that probable cause for*
35 *revocation of a license of a licensee exists and that enforcement of*
36 *this chapter requires immediate suspension of such a license*
37 *pending investigation, he or she may, upon 5 days' written notice*
38 *and a hearing, enter an order suspending the license for a period*
39 *of not more than 20 days, pending a hearing about the revocation.*

40 **Sec. 14.55.** *1. Whenever the Commissioner has reasonable*
41 *cause to believe that any person is violating or is threatening to or*
42 *intends to violate any provision of this chapter, the Commissioner*
43 *may, in addition to all actions provided for in this chapter and*
44 *without prejudice thereto, enter an order requiring the person to*
45 *desist or to refrain from such violation.*



1 2. *The Attorney General or the Commissioner may bring an*
2 *action to enjoin a person from engaging in or continuing a*
3 *violation or from doing any act or acts in furtherance thereof. In*
4 *any such action, an order or judgment may be entered awarding a*
5 *preliminary or final injunction as may be deemed proper.*

6 **Sec. 14.6.** *If the Commissioner has reason to believe that*
7 *grounds for revocation or suspension of a license of a licensee*
8 *exist, he or she shall notify the licensee not later than 20 days*
9 *before the date of the hearing. Such notice must state the*
10 *contemplated action and, in general, the grounds therefor and set*
11 *a date for a hearing.*

12 **Sec. 14.65.** *1. A user, an attorney for a user or any other*
13 *person who believes that any provision of this chapter has been*
14 *violated may file a complaint with the Commissioner. Such a*
15 *complaint must include:*

16 (a) *The full name and address of the person filing the*
17 *complaint;*

18 (b) *A clear and concise statement of facts sufficient to*
19 *establish that the alleged violation occurred, including, without*
20 *limitation, the date, time and place of the alleged violation and the*
21 *name of each person involved in the alleged violation; and*

22 (c) *A certification by the person filing the complaint that the*
23 *facts alleged in the complaint are true to the best knowledge and*
24 *belief of the person.*

25 2. *Upon receipt of a complaint filed pursuant to subsection 1,*
26 *the Commissioner shall send a copy of the complaint to the*
27 *accused licensee. The licensee shall file a verified answer to the*
28 *complaint within 10 business days after receipt of the complaint,*
29 *unless, for good cause shown, the Commissioner extends the time*
30 *for a period of not more than 30 days. If the licensee, or an*
31 *authorized representative of the licensee, fails to file a verified*
32 *answer within the time required by this subsection, the licensee*
33 *shall be deemed to have admitted to the allegations contained in*
34 *the complaint.*

35 3. *The Commissioner may make investigations and conduct*
36 *hearings concerning complaints filed with the Commissioner*
37 *pursuant to this section.*

38 4. *Except as otherwise provided in this section, a complaint*
39 *filed with the Commissioner pursuant to subsection 1, all*
40 *documents and other information filed with the complaint and all*
41 *documents, reports and other information resulting from the*
42 *investigation of the complaint are confidential and may be*
43 *disclosed only as the Commissioner deems necessary to administer*
44 *the provisions of this chapter.*



1 **Sec. 14.7. 1.** *A licensee shall not make any of the following*
2 *changes unless the licensee has obtained the prior approval of the*
3 *Commissioner in accordance with the provisions of this section:*

4 *(a) A change in the ownership of 20 percent or more of the*
5 *capital stock or other equivalent ownership interest of the*
6 *licensee;*

7 *(b) A change in control the of the licensee;*

8 *(c) A change in the name of the licensee, including the name*
9 *under which the licensee is doing business; or*

10 *(d) A change in the principal business address of the licensee*
11 *or in the address of any office of the licensee in this State.*

12 2. *A licensee who wishes to make any change described in*
13 *subsection 1 must, not less than 10 business days before the date*
14 *on which the change is to occur, submit a notice to the*
15 *Commissioner. Such notice must include any information that the*
16 *Commissioner may require.*

17 3. *Upon receipt of a notice submitted pursuant to subsection*
18 *2, the Commissioner shall approve or disapprove the proposed*
19 *change. The Commissioner may disapprove a proposed change if,*
20 *in the reasonable judgment of the Commissioner, the proposed*
21 *change is inconsistent with the requirements of this chapter. If the*
22 *Commissioner does not respond to a licensee who submits a notice*
23 *pursuant to subsection 2, including, without limitation, any*
24 *request by the Commissioner for additional information from the*
25 *licensee, within 10 business days of the date on which the notice*
26 *was submitted, the proposed change shall be deemed approved.*

27 4. *As used in this section, "control" means the possession,*
28 *directly or indirectly, of the power to direct or cause the direction*
29 *of the management and policy of the licensee.*

30 **Sec. 14.75.** *In addition to the notice requirements set forth in*
31 *section 14.7 of this act, a licensee must, before making a change*
32 *in the principal officers or directors of a licensee, submit a notice*
33 *to the Commissioner within a time period prescribed by the*
34 *Commissioner. If the submission of such a notice is not possible*
35 *before the change due to the unilateral resignation of a principal*
36 *officer or director or other similar circumstance, the licensee must*
37 *submit to the Commissioner a notice as promptly as possible after*
38 *such a change. If, in the reasonable judgment of the*
39 *Commissioner, the change in the principal officers or directors*
40 *of the licensee is inconsistent with the requirements of this*
41 *chapter, the Commissioner may require the licensee to take such*
42 *action as the Commissioner deems necessary to ensure compliance*
43 *with the provisions of this chapter.*

44 **Sec. 15. 1.** *On or before April 15 of each year, a licensee*
45 *shall submit to the Commissioner:*



1 (a) Except as otherwise provided in subsection 2, financial
2 statements for the immediately preceding year that have been
3 audited by an independent certified public accountant; and

4 (b) A copy of each complaint that has been filed against the
5 licensee with the Better Business Bureau or the Consumer
6 Financial Protection Bureau and a description of the resolution, if
7 any, of each such complaint.

8 2. If audited financial statements are not available to an
9 employer-integrated on-demand pay provider on or before April 15
10 in any year, the licensee may satisfy the requirements of
11 paragraph (a) of subsection 1 by submitting to the Commissioner:

12 (a) Unaudited financial statements on or before April 15; and
13 (b) Audited financial statements when such statements become
14 available to the licensee.

15 **Sec. 16.** An employer-integrated on-demand pay provider
16 shall:

17 1. Develop and implement policies and procedures to respond
18 to questions raised by users and address complaints from users in
19 an expedient manner;

20 2. Before entering into an agreement with a user for the
21 provision of on-demand pay services:

22 (a) Inform the user of his or her rights under the agreement;
23 and

24 (b) Fully and clearly disclose all fees associated with the on-
25 demand pay services;

26 3. Allow the user to cancel, at any time and without incurring
27 a fee, his or her participation in an agreement for the provision of
28 on-demand pay services; and

29 4. Comply with all local, state and federal privacy and
30 information security laws.

31 **Sec. 17.** 1. If an employer-integrated on-demand pay
32 provider provides on-demand pay services to a user and is unable
33 to be repaid the amount of money delivered to the user, the
34 provider shall not, absent intentional and willful fraud by the
35 user:

36 (a) Collect or attempt to collect that money from the user;
37 (b) Report any information regarding the inability of the
38 provider to be repaid to a consumer reporting agency; or

39 (c) Debit the bank account of the user without his or her
40 affirmative consent.

41 2. As used in this section, "consumer reporting agency" has
42 the meaning ascribed to it in NRS 686A.640.

43 **Sec. 18.** An employer-integrated on-demand pay provider
44 shall not:



1 *1. Share with an employer any fees that were received from*
2 *or charged to a user; or*

3 *2. Pay any other compensation to an employer that is directly*
4 *related to any fees received from or charged to a user.*

5 **Sec. 19.** *The Commissioner may adopt regulations for the*
6 *administration and enforcement of this chapter, in addition to and*
7 *not inconsistent with this chapter. Such regulations may include,*
8 *without limitation, requirements relating to the retention of*
9 *records by an employer-integrated on-demand pay provider.*

10 **Sec. 20.** *Nothing in this chapter shall be construed to cause*
11 *any on-demand pay services provided by an employer-integrated*
12 *on-demand pay provider in compliance with this chapter to be*
13 *deemed a loan or to be subject to any of the provisions of law*
14 *governing loans. On-demand pay services provided by an*
15 *employer-integrated on-demand pay provider in compliance with*
16 *this chapter are not subject to any other statutory or regulatory*
17 *provisions governing loans. If there is a conflict between the*
18 *provisions of this chapter and any other statute, the provisions of*
19 *this chapter control.*

20 **Sec. 21. 1.** *On-demand pay services provided by a third-*
21 *party on-demand pay provider shall be deemed a loan for the*
22 *purposes of chapters 604A and 675 of NRS. The amount of fees*
23 *and any other charges charged for the provision of such on-*
24 *demand pay services shall be deemed to be interest or charges on*
25 *the loan for the purposes of those chapters.*

26 *2. A person shall not engage in the business of a third-party*
27 *on-demand pay provider unless the person has been issued the*
28 *applicable license pursuant to chapter 604A or 675 of NRS.*

29 **Sec. 22.** NRS 671.020 is hereby amended to read as follows:
30 671.020 1. This chapter does not apply to any:

31 (a) Bank, its parent or holding company or any subsidiary
32 thereof, trust company, savings bank, savings and loan association,
33 credit union, industrial bank or industrial loan and investment
34 company, organized and regulated under the laws of this state or of
35 the United States;

36 (b) Foreign banking corporation licensed to do banking business
37 in this state; ~~for~~

38 (c) Telegraph company providing a public message service ~~H~~ ;
39 *or*

40 *(d) Employer-integrated on-demand pay provider who is*
41 *licensed pursuant to the chapter consisting of sections 2 to 21,*
42 *inclusive, of this act.*

43 2. Subsection 1 does not reduce or alter any liability otherwise
44 attaching to the sale, issuance, receipt for transmission or
45 transmission of checks or money in any form.



1 **Sec. 22.5.** 1. On or before December 31, 2023, the
2 Commissioner of Financial Institutions shall prepare and submit a
3 report to the Director of the Legislative Counsel Bureau for
4 transmittal to the Legislature which includes an analysis of and any
5 recommendations concerning on-demand pay services and potential
6 changes to regulations governing on-demand pay services that may
7 be warranted.

8 2. As used in this section, “on-demand pay services” has the
9 meaning ascribed to it in section 9 of this act.

10 **Sec. 23.** 1. This section becomes effective upon passage and
11 approval.

12 2. Sections 1 to 22.5, inclusive, of this act become effective:

13 (a) Upon passage and approval for the purpose of adopting any
14 regulations and performing any other preparatory administrative
15 tasks that are necessary to carry out the provisions of this act; and

16 (b) On July 1, 2022, for all other purposes.

17 3. Sections 13 and 14 of this act expire by limitation on the
18 date on which the provisions of 42 U.S.C. § 666 requiring each state
19 to establish procedures under which the state has the authority to
20 withhold or suspend, or to restrict the use of professional,
21 occupational and recreational licenses of persons who:

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

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

27 ↪ are repealed by the Congress of the United States.



