

SENATE BILL NO. 261—SENATOR SETTELMAYER

MARCH 16, 2021

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to actions to collect a consumer debt. (BDR 8-902)

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

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

AN ACT relating to consumer debt; authorizing a prevailing plaintiff in an action to collect a consumer debt to collect a minimum amount of attorney’s fees; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Under existing law, a plaintiff who prevails in an action to collect a consumer  
2 debt is entitled to collect attorney’s fees. Existing law establishes the maximum  
3 amount of such attorney’s fees that may be collected by a prevailing plaintiff. (NRS  
4 97B.160) This bill provides that a prevailing plaintiff is entitled to collect a  
5 minimum amount of \$500 in attorney’s fees.

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

1 **Section 1.** NRS 97B.160 is hereby amended to read as  
2 follows:

3 97B.160 1. If the plaintiff is the prevailing party in any action  
4 to collect a consumer debt, the plaintiff is entitled to collect  
5 attorney’s fees only if the consumer form contract or other  
6 document evidencing the indebtedness sets forth an obligation of the  
7 consumer to pay such attorney’s fees and subject to the following  
8 conditions:

9 (a) If a consumer form contract or other document evidencing  
10 indebtedness provides for attorney’s fees in some specific  
11 percentage, such provision and obligation is valid and enforceable  
12 for an amount not to exceed 15 percent of the amount of the debt,



1 excluding attorney's fees and collection costs ~~[H]~~, *except that the*  
2 *amount of attorney's fees collected by the plaintiff must be at least*  
3 *\$500.*

4 (b) If a consumer form contract or other document evidencing  
5 indebtedness provides for the payment of reasonable attorney's fees  
6 by the debtor, without specifying any specific percentage, such  
7 provision ~~[must be construed to mean]~~ *is valid and enforceable for*  
8 *an amount that is* the lesser of 15 percent of the amount of the debt,  
9 excluding attorney's fees and collection costs, or the amount of  
10 attorney's fees calculated by a reasonable rate for such cases  
11 multiplied by the amount of time reasonably expended to obtain the  
12 judgment ~~[H]~~, *except that the amount of attorney's fees collected by*  
13 *the plaintiff must be at least \$500.*

14 2. The documentation setting forth a party's obligation to pay  
15 attorney's fees must be provided to the court before a court may  
16 enforce those provisions.

