

SENATE BILL NO. 99—SENATOR HARDY

PREFILED JANUARY 25, 2011

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Makes various changes concerning consumer protection. (BDR 52-127)

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 consumer protection; prescribing certain mandatory terms of a contract for grant writing services; providing certain exemptions; revising certain provisions concerning solicitations by telephone; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 **Section 16** of this bill sets forth requirements applicable to contracts for grant
2 writing services in this State. **Section 7** of this bill defines “grant writing service.”
3 **Section 22** of this bill provides that a violation of the provisions of this bill
4 constitutes a deceptive trade practice. **Section 9** of this bill exempts from the
5 provisions of this bill the providing of certain education and training relating to
6 grants and certain grant writing services that offer services relating to affordable
7 housing and community development projects. **Section 27** of this bill exempts
8 certain persons from certain provisions concerning telephone solicitations.

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

1 **Section 1.** Chapter 598 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 23, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 23, inclusive, of this act,*
5 *unless the context otherwise requires, the words and terms defined*
6 *in sections 3 to 8, inclusive, of this act have the meanings ascribed*
7 *to them in those sections.*



1 **Sec. 3.** *“Buyer” means a natural person who is solicited to*
2 *purchase or who purchases the services of a grant writing service.*

3 **Sec. 3.5.** (Deleted by amendment.)

4 **Sec. 4.** (Deleted by amendment.)

5 **Sec. 5.** (Deleted by amendment.)

6 **Sec. 6.** *“Grant” means any money given by a governmental*
7 *entity or any other person or organization to finance a specific or*
8 *general purpose.*

9 **Sec. 7.** *“Grant writing service” means a person who, with*
10 *respect to obtaining any grant or other payment, loan or money,*
11 *advertises, sells, provides or performs, or represents that he or she*
12 *can or will sell, provide or perform, any of the following services*
13 *in return for the payment of money or other valuable*
14 *consideration:*

15 1. *Writing an application for a grant for a buyer.*

16 2. *Obtaining a grant for a buyer.*

17 3. *Providing advice or assistance to a buyer in obtaining a*
18 *grant.*

19 **Sec. 8.** (Deleted by amendment.)

20 **Sec. 9.** *The provisions of sections 2 to 23, inclusive, of this*
21 *act do not apply to:*

22 1. *A grant writing service which provides services relating to*
23 *an affordable housing and community development project which*
24 *is financed, in whole or in part, by tax credits for low-income*
25 *housing, private activity bonds or money provided by a private*
26 *entity, government, governmental agency or political subdivision*
27 *of a government, including, without limitation, any money*
28 *provided pursuant to 12 U.S.C. § 1701q, 26 U.S.C. § 42, 42 U.S.C.*
29 *§ 8013 or 42 U.S.C. §§ 12701 et seq.*

30 2. *Education and training regarding procedures for writing,*
31 *obtaining or managing grants that is provided by an educational*
32 *institution which is accredited by an accrediting body that is*
33 *recognized by the United States Department of Education.*

34 **Sec. 10.** (Deleted by amendment.)

35 **Sec. 11.** (Deleted by amendment.)

36 **Sec. 12.** (Deleted by amendment.)

37 **Sec. 13.** (Deleted by amendment.)

38 **Sec. 14.** (Deleted by amendment.)

39 **Sec. 15.** (Deleted by amendment.)

40 **Sec. 16.** *A contract between a buyer and a grant writing*
41 *service for the purchase of the services of the grant writing*
42 *service:*

43 1. *Must be in writing.*

44 2. *Must be signed by the buyer or, if the transaction is*
45 *conducted electronically, otherwise acknowledged by the buyer.*



1 **3. Must be dated.**

2 **4. Must clearly indicate above the signature or**
3 **acknowledgment line that the buyer may cancel the contract**
4 **within 5 days after execution of the contract by giving written**
5 **notice to the grant writing service of his or her intent to cancel the**
6 **contract. If the notice is mailed, the notice must be postmarked not**
7 **later than 5 days after the execution of the contract.**

8 **5. Must include a detailed description of the services to be**
9 **performed by the grant writing service for the buyer and the total**
10 **amount the buyer is obligated to pay for those services.**

11 **6. Must include a statement in at least 12-point bold type**
12 **informing the buyer of his or her right to file a complaint**
13 **concerning the grant writing service with the Bureau of Consumer**
14 **Protection in the Office of the Attorney General, including the**
15 **physical address and telephone number for the Bureau.**

16 **Sec. 17.** (Deleted by amendment.)

17 **Sec. 18.** (Deleted by amendment.)

18 **Sec. 19.** (Deleted by amendment.)

19 **Sec. 20.** (Deleted by amendment.)

20 **Sec. 21.** (Deleted by amendment.)

21 **Sec. 22. Any violation of sections 2 to 23, inclusive, of this**
22 **act constitutes a deceptive trade practice for the purposes of NRS**
23 **598.0903 to 598.0999, inclusive.**

24 **Sec. 23.** (Deleted by amendment.)

25 **Sec. 24.** (Deleted by amendment.)

26 **Sec. 25.** (Deleted by amendment.)

27 **Sec. 25.5.** (Deleted by amendment.)

28 **Sec. 26.** (Deleted by amendment.)

29 **Sec. 27.** NRS 228.600 is hereby amended to read as follows:

30 228.600 1. The provisions of NRS 228.590 do not prohibit a
31 telephone solicitor from making or causing another person to make
32 an unsolicited telephone call for the sale of goods or services to a
33 telephone number in the currently effective version of the list of
34 telephone numbers in the registry if:

35 (a) There is a preexisting business relationship between the
36 telephone solicitor and the person who is called; and

37 (b) The telephone solicitor complies with the provisions of this
38 section.

39 2. Before a telephone solicitor may make or cause another
40 person to make an unsolicited telephone call for the sale of goods or
41 services based on a preexisting business relationship, the telephone
42 solicitor must establish and maintain an internal do-not-call registry
43 that complies with federal and state laws and regulations. The
44 internal do-not-call registry must:



1 (a) Include, without limitation, a list of the telephone numbers of
2 any person who has requested that the telephone solicitor not make
3 or cause another person to make an unsolicited telephone call for the
4 sale of goods or services to a telephone number of the person
5 making the request; and

6 (b) Upon request, be provided by the person to the Attorney
7 General.

8 3. In addition to the requirements set forth in subsection 2, at
9 least once each year, the telephone solicitor shall provide written
10 notice to each person with whom the telephone solicitor has a
11 preexisting business relationship. The written notice must:

12 (a) Inform the person that the telephone solicitor is providing the
13 notice pursuant to state law;

14 (b) Explain to the person that the telephone solicitor may elect
15 to be placed on the internal do-not-call list of the telephone solicitor
16 and specify the procedures for making such an election; and

17 (c) Explain to the person that the person may contact the
18 customer service department of the telephone solicitor or the
19 Attorney General to obtain further information concerning
20 the provisions of this section and must provide the current address,
21 telephone number and electronic mail address of the customer
22 service department of the telephone solicitor and the Attorney
23 General.

24 4. *The provisions of subsection 3 do not apply to a person to
25 whom a license to operate an information service or a
26 nonrestricted gaming license, which is current and valid, has been
27 issued pursuant to chapter 463 of NRS when soliciting sales
28 within the scope of his or her license.*

29 5. As used in this section, "preexisting business relationship"
30 means a relationship between a telephone solicitor and a person that
31 is based on:

32 (a) The person's purchase, rental or lease of goods or services
33 directly from the telephone solicitor, but not from any affiliate or
34 associate of the telephone solicitor; or

35 (b) Any other financial transaction directly between the person
36 and the telephone solicitor, but not between the person and any
37 affiliate or associate of the telephone solicitor,

38 ➤ that occurs within the 18 months immediately preceding the date
39 of the unsolicited telephone call for the sale of goods or services.

