

## Digest for Adopted Regulation R\_081-13

Existing law authorizes the Secretary of State to refer a matter to the district attorney with jurisdiction or the Attorney General, or both, for a determination of whether to institute proceedings in a court of competent jurisdiction to recover a fine of not less than \$1,000 but not more than \$10,000 if a person conducts a business in this State but willfully fails or neglects to obtain or renew a state business license and pay the accompanying required fees. Existing law also authorizes the Secretary of State to adopt regulations to administer the provisions governing these fines. (Section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180))

**Sections 2-5** of this regulation adopt provisions governing the circumstances under which a person is subject to the fine and the procedures the Secretary of State will follow to determine whether to refer the matter to a district attorney or the Attorney General, or both, for a determination of whether to institute proceedings to recover the fine. **Section 2** defines the circumstances under which the Secretary of State may refer the matter to a district attorney or the Attorney General, or both, for a determination of whether to institute proceedings to recover the fine against a person, and **section 3** sets forth the manner in which a person may report to the Secretary of State that a person may be subject to the fine. **Section 4** authorizes the Secretary of State to take certain actions to investigate a complaint that a person may be subject to the fine and to refer the complaint to other regulatory or enforcement agencies. Under **section 5**, if the Secretary of State determines that a person is subject to the fine, he or she may demand that the person file the documents and pay the fees and penalties necessary to bring the person into compliance with existing law. If the person does not take these actions, the Secretary of

State may refer the matter to the appropriate district attorney or the Attorney General, or both, to institute proceedings to require the filing of the documents and payment of any fees, penalties and fines required by existing law.

Existing law also exempts certain persons from the requirement to obtain a state business license, including, without limitation, governmental entities, certain persons who operate a business from home and businesses whose primary purpose is to create or produce motion pictures. (NRS 76.020) Under existing law, the Secretary of State is authorized to adopt regulations to carry out existing law relating to state business licenses. (NRS 76.140)

**Section 6** of this regulation requires a person who claims to be excluded from the requirement to obtain a state business license to submit annually to the Secretary of State a claim for the exemption on a form prescribed by the Secretary of State that contains certain required information. **Section 7** of this regulation revises the definition of "person who operates a business from his or her home" as it relates to an exemption from the requirement to obtain a state business license, and **section 8** of this regulation revises provisions relating to an exemption by persons whose primary purpose is to create or produce motion pictures.

ADOPTED REGULATION OF THE

SECRETARY OF STATE

LCB File No. R081-13

Effective December 23, 2013

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

AUTHORITY: §§1-6, section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180); §§7 and 8, NRS 76.140.

A REGULATION relating to business licenses; adopting procedures for the imposition of penalties on persons who conduct a business in this State and willfully fail or neglect to obtain or renew a state business license and pay the accompanying required fees; requiring a person who claims to be excluded from the requirement to obtain a state business license to submit an annual claim for the exemption on a form that contains certain required information; and providing other matters properly relating thereto.

**Section 1.** Chapter 76 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 6, inclusive, of this regulation.

**Sec. 2.** *The Secretary of State may refer the matter to the district attorney of the county in which a person's principal place of business is located or the Attorney General, or both, for a determination of whether to institute proceedings to recover the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), if the person:*

*1. Is purporting to be a business organized and existing under the laws of this State but has willfully failed or neglected to obtain or renew a state business license and to pay the fees required by NRS 76.100 and 76.130; or*

2. *Is doing business in this State but has willfully failed or neglected to obtain or renew a state business license and to pay the fees required by NRS 76.100 and 76.130.*

Sec. 3. 1. *A person may report to the Secretary of State that a person may be subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), by emailing a complaint to [blcompliance@sos.nv.gov](mailto:blcompliance@sos.nv.gov) or by mailing a complaint to:*

*Secretary of State  
Commercial Recordings Division  
Attn: Business Compliance  
202 North Carson Street  
Carson City, Nevada 89701*

2. *A complaint filed with the Secretary of State pursuant to subsection 1 must be on a form prescribed by the Secretary of State and must contain, at a minimum:*

*(a) The name, street address, telephone number and, if applicable, the electronic mail address and any other contact information of the complainant;*

*(b) The name, street address, telephone number and, if applicable, the electronic mail address and any other contact information of any person authorized by the complainant to file the complaint on behalf of the complainant;*

*(c) The name, street address, telephone number and, if applicable, the electronic mail address and any other contact information of the person alleged to be subject to the fine set*

*forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180);*

*(d) Information identifying all persons involved in the alleged conduct subjecting the person to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), including, without limitation, the names, street addresses, business locations, telephone numbers, electronic mail addresses and Internet websites of the persons involved in the alleged conduct;*

*(e) Information identifying the nature of the business engaged in by the person alleged to be subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180);*

*(f) Information identifying any other regulatory entity or agency or any court, arbitrator or other tribunal with which the complainant has filed a complaint or report regarding the same conduct, including, without limitation, the name and address of the regulatory entity, agency, court, arbitrator or tribunal, the date upon which any complaint or report was filed and the case number assigned to the complaint or report, if any;*

*(g) Any additional information which the complainant believes may assist in the investigation of the allegations made in the complaint;*

*(h) Copies of any documents which the complainant believes may assist in the investigation of the allegations made in the complaint;*

*(i) A statement indicating whether the complainant is willing to testify regarding the complaint in a court of law or in an administrative proceeding; and*

(j) *A statement that to the best of the complainant's knowledge the information contained in the complaint is true and correct.*

Sec. 4. 1. *Upon receiving a complaint filed pursuant to section 3 of this regulation, the Secretary of State will:*

(a) *Review the complaint and any information submitted with the complaint;*

(b) *Determine whether the allegations in the complaint may be addressed through the administrative processes of the Office of the Secretary of State; and*

(c) *Determine whether to refer the complaint to another regulatory or enforcement agency of this State, a political subdivision of this State, another state or the Federal Government.*

2. *The Secretary of State may refer the information obtained in a complaint filed pursuant to section 3 of this regulation and any information obtained by the Secretary of State through an investigation of the complaint to another regulatory or enforcement agency of this State, a political subdivision of this State, another state or the Federal Government.*

3. *The Secretary of State may request that the complainant or the person alleged to be subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), provide any information deemed necessary by the Secretary of State to assist in the investigation of the allegations made in the complaint.*

Sec. 5. 1. *If the Secretary of State determines that the information provided with a complaint filed pursuant to section 3 of this regulation is not sufficient to warrant further investigation or processing of the complaint, the Secretary of State will send to the complainant written notification of the deficiencies in the complaint.*

2. *If the Secretary of State determines that the information provided with a complaint filed pursuant to section 3 of this regulation or obtained during the course of an investigation of another matter is sufficient to warrant further investigation or processing, the Secretary of State may send a written demand for a response to the complaint or investigation to the person alleged to be subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180).*

3. *A response demanded pursuant to subsection 2 must be:*

*(a) Completed and returned to the Office of the Secretary of State within the time specified in the written demand; and*

*(b) Signed under oath by the respondent or, if the respondent is an entity, by a person in a position of responsibility with the respondent.*

4. *If, based on the information submitted with a complaint, any information obtained during an investigation of the complaint and any information included in a response demanded pursuant to subsection 2, the Secretary of State determines that a person is subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), the Secretary of State may demand that the person file any document required to bring the person into compliance with chapter 76 of NRS and pay any fee, penalty or fine required by the laws of this State.*

5. *If, in response to the demand of the Secretary of State pursuant to subsection 4, the person does not file a document required to bring the person into compliance with chapter 76 of NRS or pay any fee, penalty or fine required by the laws of this State, the Secretary of State may refer the matter to the district attorney of the county in which the person's principal place*

*of business is located or the Attorney General, or both, and request that the district attorney or Attorney General institute legal proceedings to require the person to file any document required to bring the person into compliance with chapter 76 of NRS and to pay any fee, penalty or fine required by the laws of this State.*

*6. The Secretary of State may communicate any findings made or actions taken in response to a complaint or the investigation of a complaint to:*

*(a) The complainant at the address provided on the complaint form; and*

*(b) The person who is alleged to be subject to the fine set forth in section 2 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 831 (NRS 76.180), at the last known address of the person or through the person's registered agent of record.*

*Sec. 6. Except as otherwise provided in subsection 2 of section 3 of Senate Bill No. 60, chapter 221, Statutes of Nevada 2013, at page 832 (NRS 76.105), a person who claims to be excluded from the requirement to obtain a state business license must submit annually to the Secretary of State a claim for the exemption on a form prescribed by the Secretary of State that includes, without limitation:*

*1. The name of the person claiming the exemption;*

*2. If available, the business identification number issued with the original notice of exemption;*

*3. The exemption code provided by the Secretary of State under which the exemption is claimed;*

*4. The physical street address and, if different, the mailing address where the person will be conducting business in this State;*



5. *The electronic mail address where notices and correspondence may be received;*
6. *Other information the Secretary of State deems necessary to ensure that a claim for an exemption from the state business license is appropriate;*
7. *A declaration under penalty of perjury that:*
  - (a) *The information contained in the form is true, correct and complete to the best of the person's knowledge and belief;*
  - (b) *The person acknowledges that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing with the Office of the Secretary of State; and*
  - (c) *The person meets the statutory requirements for an exemption from the requirement to obtain a state business license pursuant to NRS 76.020; and*
8. *The signature of the person claiming the exemption from the state business license.*

Sec. 7. Section 5 of LCB File No. R080-11 is hereby amended to read as follows:

Sec. 5. For the purposes of this chapter and NRS 76.020, the Secretary of State interprets the term:

1. "Governmental entity" to mean:
  - (a) The government of the United States, this State or any other state or territory of the United States or an incorporated or unincorporated agency or instrumentality thereof;
  - (b) A corporation which is wholly owned by the government of the United States; and
  - (c) A county, city, town, district or other political subdivision of this State or any other state or territory of the United States.

2. "Person who operates a business from his or her home" to mean a natural person who individually operates *a business and performs all essential business functions exclusively from his or her personal residence* or a married couple who jointly operate a business *and perform all essential business functions exclusively* from ~~the~~ *their* personal residence in this State if no part of the personal residence is held open to the general public for use in furtherance of that business that would require the posting of a business license in accordance with a county or municipal ordinance.

Sec. 8. Section 6 of LCB File No. R080-11 is hereby amended to read as follows:

Sec. 6. The exemption from the requirement to obtain a state business license which is set forth in paragraph (e) of subsection 2 of NRS 76.020 applies only to a person ~~who~~ *is* :

1. *Who is registered with the Division of Motion Pictures and has obtained all applicable permits otherwise required by other agencies and political subdivisions of this State* pursuant to ~~paragraph (a) of~~ subsection 1 of NRS 231.128;

2. ~~Provides annually to the Secretary of State the registration number assigned to the person by the Division of Motion Pictures; and~~

~~3. Creates;~~ *Whose primary purpose is to create or produces produce* in this State feature films, movies made for broadcast ~~on television~~ *or other electronic transmission* or programs made for broadcast ~~on television~~ *or other electronic transmission* in episodes ~~it~~ ; and

3. *Who completes any form or provides any information requested by the Secretary of State to establish or verify the requirements set forth in subsections 1 and 2.*

**ROSS MILLER**  
*Secretary of State*

STATE OF NEVADA

**SCOTT W. ANDERSON**  
*Deputy Secretary  
for Commercial Recordings*

**NICOLE J. LAMBOLEY**  
*Chief Deputy Secretary of State*



**SCOTT F. GILLES**  
*Deputy Secretary for Elections*

**ROBERT E. WALSH**  
*Deputy Secretary  
for Southern Nevada*

**RYAN M. HIGH**  
*Deputy Secretary  
for Operations*

**OFFICE OF THE  
SECRETARY OF STATE**

**LEGISLATIVE REVIEW OF ADOPTED REGULATIONS - NRS 233B.066**

**Informational Statement**

**LCB File Nos. R068-13, R077-13, R078-13, R079-13, R080-13 & R081-13  
Regulations Relating to Commercial Recordings**

The following statement is submitted for adopted amendments to Nevada Administrative Code (NAC) Chapters 68, 77, 78, 79, 80, 81, 86, 87, 87A, 88, 88A, 89 and 598.

- 1) **R068-13:** Adopting provisions relating to filing a Charitable Solicitation Registration Statement for certain Chapter 82 entities and adopting certain requirements for solicitation disclosures. This regulation is necessary to further define certain terms and to clarify the contents of and the financial information required in the Charitable Registration Information Statement.
- 2) **R077-13:** Adopting provisions governing the process by which an individual or entity may register a willingness to serve as a registered agent for an entity; governing the publication and updating of the list of such individuals and entities by the Secretary of State and other matters properly relating thereto. This regulation is necessary to place the regulation in the proper chapter of NAC relating to NRS Chapter 77 requirement. It adopts the same provisions as in current (now repealed) NAC Chapter 77 and adopts the provisions relating to the removal and reinstatement of a registered agent from the list under certain circumstances.
- 3) **R078-13:** Adopting provision relating to the selection of an alternative due date for filing certain required lists with the Secretary of State. This regulation provides the requirements for an entity to select an alternate due date pursuant to 78.150, 80.110, 82.523, 86.263, 86.5461, 87.510, 87.541, 87A.290, 87A.560, 88.395, 88.591, 88A.600, 88A.732 and 89.250 as amended by SB 60 of the 2013 session of the Nevada Legislature.
- 4) **R079-13:** Adopting provisions governing commercial registered agents and commercial registered agent registration statements; revising provisions governing written materials produced by or at the direction of registered agents. This regulation provides the requirements for the Commercial Registered Agent Registration Statement required pursuant to NRS Chapter 77 and clarifies the requirements therein. It also provides additional guidance for solicitations made to Nevada and Nevada qualified entities by registered agents.
- 5) **R080-13:** Revising provisions relating to the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines. This regulation is necessary to use the same wording regarding the referral of matters to the district attorney or Attorney General as in Title 7 as amended by SB 60 of the 2013 session of the Nevada Legislature.
- 6) **R081-13:** Adopting provisions relating to the procedures for the imposition of penalties on persons who conduct business in Nevada and willfully fail or neglect to obtain or renew a state business license; requiring a person claiming exemption from the state business license to annually submit a claim for said exemption that contains certain required information. This Regulation is necessary to clarify provisions in NRS Chapter 76 relating to those conducting business in Nevada and adopts similar provisions in to NAC Chapter 76 as is currently in regulation for business entities filed in the Office of the Secretary of State.

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Fax: (702) 486-2888

RENO OFFICE  
500 Damonte Ranch Pkwy, Suite 657-A  
Reno, Nevada 89521  
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2) Public comments were solicited at the November 20, 2013 public workshop to solicit comments on proposed regulations and the December 3, 2013 hearing for the adoption of regulations. Copies of the proposed regulations, notices of workshop and notices of intent to act upon the regulations were sent via fax and email to persons known to have an interest in the subjects pertaining to registration requirements for entities which solicit or intend to solicit charitable contributions; commercial resident agent registration requirements, resident agent requirements; alternative due dates for filing certain required lists and procedures for imposing penalties on persons conducting business in the state who willfully fail or neglect to maintain a state business license. These documents were provided to the main libraries in each county. These documents were also made available on the Secretary of State website, [www.NVSOS.gov](http://www.NVSOS.gov) and posted at the following locations:

- The Capitol Building, 101 North Carson Street, Carson City, Nevada 89701
- The State Library, 100 North Stewart Street, Carson City, Nevada 89701
- The Secretary of State-Reno, 500 Damonte Ranch Pkwy, Suite 657-A, Reno, Nevada 89521
- The Grant Sawyer Building, 555 East Washington Avenue, Las Vegas, Nevada 89101
- Nevada State Legislative Building, 401 South Carson Street, Carson City, Nevada 89701

The minutes of the November 20, 2013 public workshop to solicit comments on proposed regulations and the December 3, 2013 hearing for the adoption of regulations are attached hereto and contain a summary of the brief discussion held regarding the proposed amendments. A copy of the workshop and hearing minutes may be obtained from the office of the Secretary of State, 101 N. Carson Street, Suite 3, Carson City, Nevada 89701, 775-684-5720 or via email sent to [scotta@sos.nv.gov](mailto:scotta@sos.nv.gov).

3) The number of persons who:

- (a) **Attended the November 20, 2013 public workshop: 11**
- (b) **Testified at the November 20, 2013 public workshop: 3**
- (c) **Submitted to the agency written comments: 1**
- (d) **Attended the December 3, 2013 hearing for the adoption of regulations: 2**
- (e) **Testified at the December 3, 2013 hearing for the adoption of regulations: 1**
- (f) **Submitted to the Agency written comments: 1**

4) For each person identified in paragraphs (b) and (c) of number 3 above, the following information if provided to the agency conducting the hearing:

- (a) **Name; Matthew Taylor - Both workshop and hearing**
- (b) **Telephone number; 775-888-4070**
- (c) **Business address; 311 N. Third Street, Carson City, NV 89703**
- (d) **Business telephone number; 775-888-4070**
- (e) **Electronic mail address; [mtaylor@nvbiz.com](mailto:mtaylor@nvbiz.com)**
- (f) **Name of entity or organization represented Nevada Registered Agents' Association**

- (a) **Name; Phil Johncock**
- (b) **Telephone number; 702-486-1266**
- (c) **Business address; 639 Isbell Court, Suite 460, Reno, NV 89509**
- (d) **Business telephone number; 702-486-1266**
- (e) **Electronic mail address; UNK**
- (f) **Name of entity or organization represented; Alliance for Nevada Nonprofits**

- (a) **Name; Andrew Platt**
- (b) **Telephone number; 702-433-9696**
- (c) **Business address; 1349 W. Galleria Drive, Suite 200, Henderson, NV 89014**
- (d) **Business telephone number; 702-433-9696**
- (e) **Electronic mail address; aplatt@woodserickson.com**
- (f) **Name of entity or organization represented: Woods Erickson**

5) Comments were solicited from affected businesses in the same manner as they were solicited from the public. In addition discussions were had with the Registered Agents Association, Business Law Section of the State Bar of Nevada and representatives from Alliance for Nevada Nonprofits (ANN) and other nonprofit organizations.

6) The permanent regulations were adopted on December 3, 2013 and included changes suggested at the November 20, 2013 public workshop to solicit comments on proposed regulations. There we no changes made as a result of the public workshop to regulations R077-13, R080-13 and R081-13 as no changes were suggested. Amendments were made as a result of the public workshop to regulations R078-013 and R079-13. These amendments did not substantively change the regulations as proposed and are included in the regulations transmitted to the Legislative Counsel Bureau. R068-13 had amendments offered at the hearing. The regulations are adopted without these amendments as they had been submitted to the Legislative Counsel Bureau for review and had not been returned by the adoption hearing. The amendments to R068-13 will be scheduled for future workshop and hearing.

7) There is no estimated economic effect of the adopted regulation on the businesses which it is to regulate or on the public.

8) There is no additional cost to the agency for enforcement of this regulation.

9) There are no other state or government agency regulations that the regulation overlaps or duplicates.

10) The proposed regulation does not include provisions that are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

11) The proposed regulation does not involve a new fee or increases an existing fee.

# SMALL BUSINESS IMPACT STATEMENT

## PROPOSED REGULATIONS OF THE OFFICE OF THE SECRETARY OF STATE

(LCB File No. R081-13)

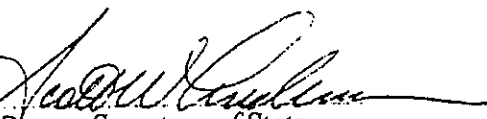
Pursuant to NRS 233B.0608, the Secretary of State is required to determine whether a proposed regulation is likely to: (a) Impose a direct and significant economic burden upon a small business; or (b) Directly restrict the formation, operation or expansion of a small business.

The proposed regulation applies to the sole proprietors, partnerships and other non-entity persons that may be conducting business in Nevada without obtaining and maintaining a State Business License. These persons are operating in violation of state law. These provisions clarify the procedures for referring a matter to the district attorney or Attorney General for the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines. The regulation adds the same regulatory provisions to non-entities as are in regulation for entities doing business in Nevada. The regulation also clarifies the information required in the annual claim of exemption from the State Business license and clarifies the provisions relating to claims for exemption from the State Business License for motion picture companies. In preparation for the 2013 Regular Session of the 2013 Nevada Legislature, discussions were had with complaint small businesses, the Nevada Registered Agent Association and the State Bar Association that in addition to business entities created pursuant to Title 7 of the NRS, that those sole proprietors, partnerships and other non-entity persons doing business in Nevada must meet the State Business License requirements of NRS Title 7 and should have the same penalties for failing to do so, thus leveling the playing field for all businesses in Nevada as it relates to Secretary of State filing requirements. Only those conducting business in contravention to State law that do not remedy the deficiency after notice and reasonable opportunity to remedy will be affected by this regulation and will not be affected any greater than with the provisions already in law. This regulation does not impose any direct and significant economic burden upon a small business that is not already in State law, nor do they directly restrict the formation, operation or expansion of a small business.

Method of analysis: The regulation text was compared to the text of the SB 60 of the 2013 Regular Session of the Nevada Legislature to determine if it imposed any requirements beyond those required by statute. Additionally, discussions were had with interested parties during the legislative process. The Nevada Registered Agents Association (NRAA) and the Business Law Section of the State Bar Association were given drafts of the proposed regulation. No comments were received on the effect on small business.

Reasons for determination: Comparison of regulation text to that of statute found no significant differences in requirements of the statute. Comments from both the NRAA and the Business Law Section during the legislative process and the lack of comment from both relating to the draft regulations did not indicate that their members felt there would be a significant impact on small business.

*I hereby certify that to the best of my knowledge or belief a concerted effort was made to determine the impact of this proposed regulation on small businesses and that the information contained in the statement is accurate.*

Signed:   
Deputy Secretary of State  
for Commercial Recordings

Dated: 10/29/13

**ROSS MILLER**  
*Secretary of State*

STATE OF NEVADA

**SCOTT W. ANDERSON**  
*Deputy Secretary  
for Commercial Recordings*

**NICOLE J. LAMBOLEY**  
*Chief Deputy Secretary of State*



**SCOTT F. GILLES**  
*Deputy Secretary for Elections*

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*Deputy Secretary  
for Operations*

**OFFICE OF THE  
SECRETARY OF STATE**

**MEETING MINUTES  
Public Workshop for  
LCB File Nos. R-068-13, R077-13, R078-13, R079-13, R080-13 & R081-13  
Regulations Relating to Commercial Recordings and the annual State Business License**

Date of meeting: November 20, 2013 public workshop to solicit comments on proposed regulations R-068-13, R077-13, R078-13, R079-13, R080-13 & R081-13.

Location(s): Nevada State Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada and live videoconference - Room 4412E of the Grant Sawyer Building, 555 East Washington Avenue, Suite 4412E, Las Vegas, Nevada

Staff in attendance: Scott Anderson, Deputy Secretary of State for Commercial Recordings; Nicole Lamboley, Chief Deputy Secretary of State, Delaina Marzullo, Administrative Assistant 4 (Las Vegas CR Supervisor)); Kevin Benson, Deputy Attorney General; Heather Minore, Compliance Investigator 2, Jason Hataway, Administrative Assistant 3 (Carson City CR).

Members of the public in attendance: 11 Total: In Carson City, Matthew Taylor representing the Nevada Registered Agents' Association; Linda Mercer representing Nevada Public Health Foundation; Sue Meusche (sp) representing NNAPV; Phil Johncock representing the Alliance for Nevada Nonprofits; Terry Chilcoat representing R/A's of America, Inc. In Las Vegas, the following were in attendance: Andrew Platt representing Woods, Erickson; Joan Wiley representing Cotton, Driggs, Walsh; Wayne McMiniment representing Inc. Legal Services; Patricia Amunategui representing M.F. Corporate Services; Cathy Malone and Ileana Delfaus representing East Valley Family Services.

The workshop was called to order at 8:32 a.m. by Scott Anderson.

Mr. Anderson began the workshop by welcoming those in attendance and introducing Secretary of State Staff and DAG in attendance. He stated that today we are conducting a workshop on the following proposed regulations:

- **R068-13:** Adopting provisions relating to filing a Charitable Solicitation Registration Statement for certain Chapter 82 entities and adopting certain requirements for solicitation disclosures.
- **R077-13:** Adopting provisions governing the process by which an individual or entity may register a willingness to serve as a registered agent for an

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entity; governing the publication and updating of the list of such individuals and entities by the Secretary of State and other matters properly relating thereto.

- **R078-13:** Adopting provision relating to the selection of an alternative due date for filing certain required lists with the Secretary of State.
- **R079-13:** Adopting provisions governing commercial registered agents and commercial registered agent registration statements; revising provisions governing written materials produced by or at the direction of registered agents.
- **R080-13:** Revising provisions relating to the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines.
- **R081-13:** Adopting provisions relating to the procedures for the imposition of penalties on persons who conduct business in Nevada and willfully fail or neglect to obtain or renew a state business license; requiring a person claiming exemption from the state business license to annually submit a claim for said exemption that contains certain required information.

He explained the purpose of this workshop is to solicit comment and information for consideration when adopting the regulations. He indicated that materials were located at sign in table.

He stated how the workshop would be conducted: that we would present each proposed regulation separately and during the presentation of each presentation, ask for public comment.

It was requested that anyone offering public comment, sign in on the sign in sheet located at the table and then called to speak, giving your full name and spelling of your last name. It was also noted that written comments would be accepted for the record.

Mr. Anderson asked if there was any public comment before beginning the individual workshops. Being none, Mr. Anderson opened the workshop on the first regulation; R068-13. He turned the presentation over to Nicole Lamboley, Chief Deputy Secretary of State.

Ms. Lamboley indicated that she would summarize the regulation as over the past few months the office has been working with the non-profit community in drafting the regulations.

**R068-13** is a regulation relating to AB 60 of the legislative session and the requirements for the registration of Chapter 82 non-profit entities which solicit or intend to charitable or tax deductible contributions pursuant to the Internal Revenue Code 501(c)3. The regulation prescribes the information to be provided on the Charitable Registration Statement and adds at the request of the entities to which it will apply the option of providing some additional information on the form. These additions are the website address of the entity and a statement that the entity complies with the USA PATRIOT Act requirements. The regulation further defines how any entity which is soliciting money must comply with the disclosure requirements in NRS Chapter 598.

Ms. Lamboley indicated that a major change was the definition of the financial information required in the filing from the actual form 990 to specific information from that form that might be listed on the Secretary of State's website.

She discussed the changes relating to offering the option for an organization to provide web address.



She discussed that the definition of the purpose for this filing is that which is provided in the Articles of Incorporation.

Ms. Lamboley noted that there are some proposed amendments offered by the Secretary of State that were provided as part of the public meeting agenda. The amendments address specific exemptions and the required filing of the exemption for the public record as well as add an exemption for a church that meets the definition in the Internal Revenue Code 501(c)3.

She discussed the Small business impact statement and that it does not apply to nonprofit organizations.

Mr. Anderson asked for public comment.

In Carson City: Phil Johncock representing the Alliance for Nevada Non-Profits spoke in favor of the proposed regulations and amendments. He indicated that his organization has been working with the office through this process.

In Las Vegas: Andrew Platt supported Mr. Johncock's comments in support of the regulation and amendments.

Hearing no additional comments on R068-13, Mr. Anderson closed the hearing and opened the workshop on R077-13.

**R077-13** is a regulation relating to registered agents; adopting provisions governing the process by which an individual or a corporation may register a willingness to serve as the registered agent of an entity; adopting provisions governing the publication and updating of the list of individuals and corporations who have registered a willingness to serve as the registered agent of an entity; authorizing the Secretary of State to charge a fee to cover the cost of providing a printed version of the list; providing for the removal of an individual or a corporation from the list in certain circumstances; repealing certain provisions; and providing other matters properly relating thereto.

Mr. Anderson explained that this regulation simply moved the provision from Chapter 78 into Chapter 77 and adds a provision for the removal from and reinstatement to the list of a registered agent that has been enjoined or otherwise denied the ability to act as a registered agent.

Mr. Anderson asked if there is there any public comment relating to regulation.

Matthew Taylor of the Nevada Registered Agents Association stated that they had no significant concerns and supported the regulation.

Mr. Anderson asked for any comments from Las Vegas?

Hearing none, Mr. Anderson closed the workshop on R077-13

Next, the workshop on R078-13 was opened.

R078 is a regulation relating to business entities; providing for the selection of an alternate due date for filing annual lists of officers or their equivalent by business entities in this state.

Mr. Anderson explained that this was an extensive regulation but that the provisions were duplicated throughout the chapters of NAC.

He explained the definitions as relating to the selection of alternative due date, the contents of the form and that the selection could not be used to extend an entity's due date or be cause for proration of fees. He explained that entities in terminated status may not select an alternate due date until brought back into active status. He also stated that we needed to add the term "administrative hold" to the list of terminated statuses." He explained that the selection form must be submitted with an annual list or amended list and that the entity must notify the registered agent of such selection at least 60 days prior to the alternate due date selected. The Secretary of State may limit the number of times an entity may select an alternate due date but may allow a selection beyond the limit. He explained the rationale of the statute pertaining to this regulation.

Mr. Anderson asked for any public comment relating to any section of this regulation?

Matthew Taylor stated that they generally supported the regulation. He expressed concerns about notification of the registered agent and asked about the automatic notification of the RA through SilverFlume.

Mr. Anderson explained that we are considering changes to SilverFlume allowing for this type of notification and other notices through SilverFlume.

Mr. Taylor wanted to be on the record that they would like this type of notification and that while their concern would continue, they were in support of the regulation.

Mr. Anderson asked for any comments from Las Vegas?

Hearing no further comments relating to R078-13, Mr. Anderson closed the workshop on R078-13.

Next, the workshop on R079-13 was opened.

R079-13 is a regulations relating to registered agents; adopting provisions governing commercial registered agents and commercial registered agent registration statements; revising provisions governing written material produced by or at the direction of registered agents; and providing for other matters properly relating thereto.

This regulation is related to provisions of SB 60 and further defines those provisions.

Section 2 provides that a registered agent may serve as the registered agent for 10 or more foreign or domestic entities or if the registered agent reasonably believes that it will serve as the registered agent for 10 or more foreign or domestic entities by registering as a commercial registered agent; requires the registered agent to file as a commercial registered agent.

Mr. Anderson stated that the Registered Agents Association may have an amendment relating to this section.

Section 3 provides for noticing and enjoining those registered agents serving more than 10 entities that after notice do not register as a commercial registered agent. Statute requires this. This section provides for noticing and enjoining those that do not comply.

Section 4 requires disclosure on the commercial registered agent statement the legal name of the RA, any affiliates, any fictitious names or website or domain names by which the registered agent or any affiliate offers services in Nevada. This is so we know who is acting as registered agent for Nevada entities.

Section 5 defines the person and their name and address of the natural person who has the authority to act on behalf of a commercial registered agent in the day-to-day operations of the commercial registered agent.

Section 6 provides for any change in the information in the commercial registered agent registration statement and that the information must be provided to the Secretary of State within 30 days of any change.

Sections 7 and 8 contain provisions relating to correspondence, publications, websites or other written materials produced by or on behalf of a registered agent or other person holding himself or herself out to be a registered agent. It also contains provisions relating to certain disclosures required when soliciting services. There is a concern from the registered agents relating to these sections and with section 5.

Mr. Taylor expressed concerns about the information for the responsible party. Mr. Anderson stated that the Secretary of State is working on making the information not part of the business entity search.

Mr. Taylor expressed concerns about website solicitation and disclosure and disclaimer language and offered amendatory language to address these concerns.

Mr. Anderson stated that he had no questions, but that we understood the concerns and will review and definitely take into consideration for the final regulation to be adopted.

Mr. Anderson asked if there was any public comment relating to the regulation.

Mr. Anderson asked for any comments from Las Vegas.

Andrew Platt of Woods Erickson supported Mr. Taylor's efforts and strongly supported the amendment proposed by Mr. Taylor.

With no additional comments relating to R079-13, Mr. Anderson closed the workshop on R079-13.

Next, the workshop on R080-13 was opened.

R080-13 is a regulation relating to business entities; revising the provisions relating to the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines.

This regulation goes hand in hand with provisions of SB 60 of the 2013 Nevada legislature giving the district attorney or Attorney General prosecutorial discretion in determining whether or not to pursue action. Regulation simply uses the same language as in statute.

Mr. Anderson asked for any public comment relating to the regulation.

He asked for any comments from Las Vegas.

Hearing none, Mr. Anderson closed the workshop on R080-13.

Next, the workshop on R081-13 was opened.

R081-13 is a regulation relating to business licenses; adopting provisions for the imposition of penalties on persons who conduct business in Nevada and willfully fail or neglect to obtain or renew a state business license and pay the accompanying required fee; requiring a person who claims to be excluded from the requirements to obtain a state business license to submit an annual claim for the exemption on a form that contains certain information.

Mr. Anderson explained that this moved the same regulations that applied to business entities to sole proprietor, partnerships and other non-entity persons that may be conducting business in Nevada without obtaining or maintaining a State Business License. This simply adds the same provisions already in regulation for other business entities to NAC Chapter 76. He detailed the same provisions as those current regulations. He explained the provisions detailing the annual filing requirement for those claiming exemption from the state business license; and, further defines the exemption for person doing business from his or her home and who may claim the motion picture exemption.

Mr. Anderson asked for additional public comment or proposed amendments relating to the regulation.

Hearing none relating to R081-13, the on R081-13 was closed.

Mr. Anderson then moved to formally adopt the amendments proposed to R068-13. The amendments were adopted with no opposition.

Mr. Anderson stated that we would consider the amendments proposed by Mr. Taylor and supported by Mr. Platt.

Mr. Anderson then asked for additional public comment. Hearing none, Mr. Anderson confirmed the date and time of the adoption hearing. He reminded the audience to submit any written comments you might have with you today before you leave and that the Office of the Secretary of

State would be accepting additional written comments until close of business (5:00 pm) on Monday, November 25, 2013. He thanked those who participated in this workshop. He noted the adoption

Mr. Anderson closed the hearing at approximately 9:12am.

**ROSS MILLER**  
*Secretary of State*

**NICOLE J. LAMBOLEY**  
*Chief Deputy Secretary of State*

**ROBERT E. WALSH**  
*Deputy Secretary  
for Southern Nevada*

STATE OF NEVADA



OFFICE OF THE  
SECRETARY OF STATE

**SCOTT W. ANDERSON**  
*Deputy Secretary  
for Commercial Recordings*

**SCOTT F. GILLES**  
*Deputy Secretary for Elections*

**RYAN M. HIGH**  
*Deputy Secretary  
for Operations*

## MEETING MINUTES

### Public Hearing for the Adoption of Regulations for LCB File Nos. R-068-13, R077-13, R078-13, R079-13, R080-13 & R081-13 Regulations Relating to Commercial Recordings and the annual State Business License

Date of meeting: December 3, 2013 Public Hearing for the Adoption of Regulations for LCB File Nos. R-068-13, R077-13, R078-13, R079-13, R080-13 & R081-13.

Location(s): Nevada State Legislative Building, 401 South Carson Street, Room 2134, Carson City, Nevada and live videoconference - Room 4412E of the Grant Sawyer Building, 555 East Washington Avenue, Suite 4412E, Las Vegas, Nevada

Staff in attendance: Scott Anderson, Deputy Secretary of State for Commercial Recordings; Nicole Lamboley, Chief Deputy Secretary of State, Delaina Marzullo, Administrative Assistant 4 (Las Vegas CR Supervisor); Katie Armstrong, Deputy Attorney General; Jason Hataway, Administrative Assistant 3 (Carson City CR).

Members of the public in attendance: 2 Total: In Carson City, Matthew Taylor representing the Nevada Registered Agents' Association. In Las Vegas, Patricia Amunategui representing M.F. Corporate Services.

The hearing was called to order at 1:03 p.m. by Scott Anderson.

Mr. Anderson began the hearing by welcoming those in attendance and introducing Secretary of State Staff and DAG in attendance. He stated that today we are conducting adoption hearing workshop on the following proposed regulations:

- **R068-13:** Adopting provisions relating to filing a Charitable Solicitation Registration Statement for certain Chapter 82 entities and adopting certain requirements for solicitation disclosures.
- **R077-13:** Adopting provisions governing the process by which an individual or entity may register a willingness to serve as a registered agent for an entity; governing the publication and updating of the list of such individuals and entities by the Secretary of State and other matters properly relating thereto.
- **R078-13:** Adopting provision relating to the selection of an alternative due date for filing certain required lists with the Secretary of State.

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- **R079-13:** Adopting provisions governing commercial registered agents and commercial registered agent registration statements; revising provisions governing written materials produced by or at the direction of registered agents.
- **R080-13:** Revising provisions relating to the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines.
- **R081-13:** Adopting provisions relating to the procedures for the imposition of penalties on persons who conduct business in Nevada and willfully fail or neglect to obtain or renew a state business license; requiring a person claiming exemption from the state business license to annually submit a claim for said exemption that contains certain required information.

He explained the purpose of this workshop is to solicit comment and information for consideration when adopting the regulations. He indicated that materials were located at sign in table.

He stated how the workshop would be conducted: that we would present each proposed regulation separately and during the presentation of each presentation, ask for public comment.

It was requested that anyone offering public comment, sign in on the sign in sheet located at the table and then called to speak, giving your full name and spelling of your last name. It was also noted that written comments would be accepted for the record.

Mr. Anderson asked if there was any public comment before beginning the individual hearings. Being none, Mr. Anderson opened the hearing on the first regulation; R068-13. He turned the presentation over to Nicole Lamboley, Chief Deputy Secretary of State.

**R068-13** is a regulation relating to AB 60 of the legislative session and the requirements for the registration of Chapter 82 non-profit entities which solicit or intend to charitable or tax deductible contributions pursuant to the Internal Revenue Code 501(c)3. She noted that at the public workshop there were amendments considered but that pursuant to NRS 233B, those amendments will be brought forward at a later workshop and hearing and that the regulation as presented at the workshop will be the regulation adopted today. She read into the record correspondence from Phil Johncock with the Alliance for Nevada Nonprofits (ANN) supporting the adoption of this regulation (attached). She asked for any public comment. Mr. Anderson then asked if there was any public comment from those in Las Vegas. Being none, the regulation was then adopted as originally submitted at the workshop.

Mr. Anderson closed the hearing and opened the hearing on R077-13.

**R077-13** is a regulation relating to registered agents; adopting provisions governing the process by which an individual or a corporation may register a willingness to serve as the registered agent of an entity; adopting provisions governing the publication and updating of the list of individuals and corporations who have registered a willingness to serve as the registered agent of an entity; authorizing the Secretary of State to charge a fee to cover the cost of providing a printed version of the list; providing for the removal of an individual or a corporation from the list in certain circumstances; repealing certain provisions; and providing other matters properly relating thereto.

Mr. Anderson explained that this regulation simply moved the provision from Chapter 78 into Chapter 77 and adds a provision for the removal from and reinstatement to the list of a registered agent that has been enjoined or otherwise denied the ability to act as a registered agent.

He stated that Matthew Taylor of the Nevada Registered Agents Association stated that they had no significant concerns and supported the regulation.

Mr. Anderson asked if there is there any public comment relating to regulation.

Mr. Anderson asked for any comments from Las Vegas?

Hearing none, Mr. Anderson adopted R077-13 and opened the hearing on R078-13.

R078-13 is a regulation relating to business entities; providing for the selection of an alternate due date for filing annual lists of officers or their equivalent by business entities in this state.

He reiterated the change discussed at the workshop to add the term "administrative hold" to the list of terminated statuses. He explained that this change did not significantly alter the regulation as presented and would be part of the regulation submitted to the Legislative Counsel Bureau. He stated that there were no other comments or amendments offered at or subsequent to the workshop.

Mr. Anderson asked for any public comment relating to any section of this regulation?

Hearing none, R078-13 was adopted and the hearing closed. The hearing on R079-13 was then opened.

R079-13 is a regulation relating to registered agents; adopting provisions governing commercial registered agents and commercial registered agent registration statements; revising provisions governing written material produced by or at the direction of registered agents; and providing for other matters properly relating thereto.

He noted that during the workshop, Matt Taylor of the Registered Agents' Association state his and others concerns about certain information being made available on entity searches relating to the responsible party requirements. Mr. Anderson explained that we were working with our IT Staff to rectify this situation, it was not germane to the regulation. Mr. Taylor also offered up an amendment at the workshop to clarify the requirements on web communication as they pertain to active solicitations by a registered agent. This amendment clarifies the intent of the original regulation and does not substantively change the regulation as originally proposed. He explained that Mr. Taylor was supportive of the language in the regulation to be adopted. He stated that there were no other comments or amendments offered at or subsequent to the workshop, and that Mr. Platt had supported the amended at the workshop. Other than those, there were no other comments or amendments offered.

Mr. Anderson asked if there was any public comment relating to the regulation.

Matthew Taylor expressed his gratitude for the Secretary of State working with them and felt they capture the spirit of what they were clarify with the proposed amendment and fully support the regulation with this language.



Mr. Anderson Asked for additional comments from Carson City.

Mr. Anderson asked for any comments from Las Vegas.

With no additional comments R079-13 was adopted. Mr. Anderson closed the hearing on R079-13.

Next, the hearing on R080-13 was opened.

R080-13 is a regulation relating to business entities; revising the provisions relating to the institution of proceedings against certain persons conducting business in Nevada for the recovery of certain fines.

Mr. Anderson explained that this regulation goes hand in hand with provisions of SB 60 of the 2013 Nevada legislature giving the district attorney or Attorney General prosecutorial discretion in determining whether or not to pursue action. Regulation simply uses the same language as in statute.

Mr. Anderson asked for any public comment relating to the regulation.

He asked for any comments from Las Vegas.

Hearing none, R080-13 was adopted. Mr. Anderson closed the hearing on R080-13.

He then opened the hearing on R081-13.

R081-13 is a regulation relating to business licenses; adopting provisions for the imposition of penalties on persons who conduct business in Nevada and willfully fail or neglect to obtain or renew a state business license and pay the accompanying required fee; requiring a person who claims to be excluded from the requirements to obtain a state business license to submit an annual claim for the exemption on a form that contains certain information.

Mr. Anderson explained that this simply adds the same provisions already in regulation for other business entities to NAC Chapter 76. He detailed the same provisions as those current regulations. He explained the provisions detailing the annual filing requirement for those claiming exemption from the state business license; and, further defines the exemption for person doing business from his or her home and who may claim the motion picture exemption.

He stated that there were no other comments or amendments offered at or subsequent to the workshop

Mr. Anderson asked for additional public comment from Carson City and Las Vegas.

Hearing none, R081-13 was adopted and the hearing on R081-13 was closed.

Mr. Anderson then asked for additional public comment. Hearing none, Mr. Anderson closed the adoption hearing, thanking those that attended. He stated that these adopted regulations would be transmitted to the Legislative Counsel Bureau and will be placed before the legislative Commission later this month.

Mr. Anderson Adjourned the hearing at approximately 1:19 p.m.