

LCB File No. T021-02

**PROPOSED TEMPORARY REGULATION OF THE
SECRETARY OF STATE**

October 14, 2002

EXPLANATION – matter in *italics* is new; matter in brackets ~~{omitted material}~~ is material to be omitted.

AUTHORITY: NRS 720.150

Section 1. NAC 720.270 is hereby amended as follows:

Except as otherwise provided in NAC 720.260, the secretary of state may issue a license to or renew the license of a certification authority who meets the qualifications for a license set forth in NAC 720.250 and submits to the secretary of state:

1. A completed application that complies with the requirements of NAC 720.280;
2. The amounts required pursuant to NAC 720.430 and 720.810;
3. Proof of his identity, *or if a business entity, proof of existence and good standing from the appropriate governmental agency;*
4. Proof that he has suitable insurance;
5. A report of an audit of the policies, practices, procedures, facilities and computer hardware and software of the applicant which:
 - (a) Establishes that the applicant operates a trustworthy system; and
 - (b) Was obtained pursuant to an audit performed in compliance with the requirements of NAC 720.320 and 720.330, except that the audit and report required for the initial issuance of a license

is not required to include any matters other than compliance with the requirements of paragraph (a);

6. The documentation required pursuant to NAC 720.340; and

7. A certification practice statement that complies with the requirements of NAC 720.360.

Sec. 2. NAC 720.200 is hereby amended as follows:

The secretary of state hereby adopts by reference:

1. The technical standards designated as X.509, version 3, as adopted by the International Telecommunication Union. A copy of those standards may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$22.50.

2. The provisions of the Protection Profile for Commercial Security 2, Augmented Controlled Access Protection, version 0.1, as developed by the National Institute of Standards and Technology. A copy of those provisions may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$9.50.

3. The provisions of the WebTrust Program for Certification Authorities, Version 1.0, as developed by the American Institute of Certified Public Accountants, Inc. and the Canadian Institute of Chartered Accountants. A copy of those provisions may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786, for the price of \$9.50.

4. The provisions of the CSPP – Guidance for COTS Security Protection Profiles, Version 1.0, as distributed by the U.S. Department of Commerce, Technology Administration, National Institutes of Standards and Technology, Gaithersburg, MD 20899. A copy of those provisions

may be obtained from the Office of the Secretary of State, 101 North Carson Street, Suite 3, Carson City, Nevada 89701-4786 for the price of \$9.50.

Sec. 3. NAC 720.300 is hereby amended to read as follows:

A licensee shall maintain such policies, practices, procedures and facilities as are necessary to ensure that his system of computer hardware and software:

1. Is reasonably secure from intrusion and misuse;
2. Provides a reasonable level of availability, reliability and correct operation;
3. Is reasonably suited to performing its intended functions; and
4. Is in material compliance with the provisions of the Protection Profile for Commercial

Security 2, Augmented Controlled Access Protection, version 0.1, *the WebTrust Program for Certification Authorities, version 1.0, the CSPP – Guidance for COTS Security Protection Profiles or its equivalent*, as adopted by reference pursuant to NAC 720.200. The secretary of

state will determine whether compliance is material:

(a) In accordance with the provisions of this chapter; and

(b) In a manner that is consistent with state and federal law and reasonable for the context in which the system is used.

Sec. 4. NAC 720.340 is hereby amended to read as follows:

An applicant for the issuance or renewal of a license must submit to the secretary of state such documentation as the secretary of state requires to ensure that all operative personnel of the applicant are qualified to act in that capacity. The documentation must include, for each person who acts in that capacity:

1. A declaration, executed by the person under penalty of perjury, that:

(a) Specifies his name, including all names by which he has been known in the past, his date of birth and his business address; and

(b) Specifies each country, other than the United States, in which the person resided during the past 5 years and states the period of residency.

2. A written review of the criminal history of the person which indicates that the person has not been convicted in any jurisdiction during the past 7 years of any felony and has never been convicted in any jurisdiction of a crime involving fraud, deception or a false statement, unless the requirements of this subsection have been satisfied for a particular person within the past 2 years by the current or a previous applicant. The review must include reports of the criminal history of the person that are:

(a) Compiled and certified by:

(1) The central repository for Nevada records of criminal history ~~for the local law enforcement agency for the area where the person resided and was employed for the previous 7 years; and~~; *or*

(2) The local law enforcement agency for such other jurisdictions as the secretary of state requires; *and/or*

(3) The Federal Bureau of Investigation.

(b) Dated not more than ~~[30]~~ **90** days before the date of their submission to the secretary of state; and

(c) Reasonably sufficient to disclose any criminal convictions during the previous 7 years in any jurisdiction in the United states and its territories and possessions, and in any other jurisdiction specified pursuant to paragraph (b) of subsection 1.

3. Two sets of finger print cards.

4. The appropriate fees:

(a) \$15 for the central repository for Nevada records of criminal history; and/or

(b) \$25 for the Federal Bureau of Investigation.

**NOTICE OF ADOPTION OF TEMPORARY REGULATION
LCB File T021-02**

The Secretary of State adopted a temporary regulation which pertains to chapter 720 of the Nevada Administrative Code on October 14, 2002. A copy of the regulation as adopted is attached hereto.

INFORMATIONAL STATEMENT

The following statement is submitted for adopted amendments to Nevada Administrative Code chapter 720.

1. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

In addition to the notices required by statute, NRS 233B.061(2) and 233B.060(1), written notice was provided to all entities licensed by the Secretary of State pursuant to NRS chapter 720. No members of the public attended either the workshop or the adoption hearing; therefore, there is no summary.

2. The number of persons who:

(a) Attended each hearing:	5
(b) Testified at each hearing:	0
(c) Submitted to the agency written comments:	0

3. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

All entities licensed by the Secretary of State pursuant to NRS chapter 720 were sent notices of the workshop and the adoption hearing as well as a copy of the proposed regulation. No affected business responded; therefore, there is no summary.

4. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

No changes were suggested; therefore, no changes were adopted.

5. The estimated economic effect of the adopted regulation on the business which it is to regulate and on the public. These must be stated separately, and each case must include:

- (a) Both adverse and beneficial effects; and**
- (b) Both immediate and long-term effects.**

- (a) There is no adverse or beneficial economic effect on the business which is regulated or on the public.
- (b) There is no immediate or long term economic effect on the business which is regulated or on the public.

6. The estimated cost to the agency for enforcement of the proposed regulation.

There is no cost to the Secretary of State's office for enforcement of the temporary regulation.

7. A description of any regulations of the state or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The regulation does not overlap or duplicate any other state, local or federal regulation.

8. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of those provisions.

Federal law does not require the regulation.

9. If the regulation establishes a new fee or increases an existing fee, a statement indicating the total annual amount the agency expects to collect and the manner in which the money will be used.

The regulation does not establish a new fee or increase an existing fee.