

**ADOPTED REGULATION OF
THE STATE CONTROLLER**

LCB File No. R121-03

Effective February 4, 2004

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

AUTHORITY: §1, Section 164.38 of Senate Bill No. 8 of the 20th special session of the Nevada Legislature, chapter 5, Statutes of Nevada 2003, at page 201.

Section 1. Chapter 353C of NAC is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in subsection 2, an agency shall charge a person a fee of \$25 for each check or draft returned to the agency because the person:

(a) Had insufficient money or credit with the bank or other financial institution on which the check or draft was to be drawn to pay the check or draft; or

(b) Stopped payment on the check or draft.

2. The State Controller may waive a fee charged pursuant to subsection 1 if the person to whom the fee is charged:

(a) Submits a written application for the waiver to the State Controller within 30 days after the fee is charged; and

(b) Includes with the application set forth in paragraph (a) evidence that the check or draft was dishonored through the fault or error of the bank or other financial institution on which the check or draft was to be drawn.

3. For the purposes of this section, “agency” does not include the Department of Taxation, Nevada Gaming Commission or State Gaming Control Board.

**NOTICE OF ADOPTION OF PROPOSED REGULATION
LCB File No. R121-03**

The State Controller adopted regulations assigned LCB File No. R121-03 which pertain to chapter 353C of the Nevada Administrative Code on December 5, 2003.

Notice date: 11/2/2003
Hearing date: 12/5/2003

Date of adoption by agency: 12/5/2003
Filing date: 2/4/2004

INFORMATIONAL STATEMENT

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

On November 3, 2003, public notices were posted for a regulation workshop at 11:00 a.m. and a hearing for 1:00 p.m. on December 5, 2003, at the Legislative Council Building in Carson City Nevada. Notices were also sent to all public libraries in the state of Nevada. Both meetings were overseen by the Debt Collection Chief Accountant, the Assistant State Controller and the Controller's Deputy Attorney General. Seven people in Carson City attended the workshop. The comments dealt with the implementation and charging of a statewide \$25 returned check fee, the waiving of that fee and exceptions for state agencies with current regulations or statutes addressing a returned check fee. A written summary may be obtained by calling the State Controller's Office at (775) 684-5611 or by writing to 101 N. Carson Street, Ste. 5, Carson City, Nevada 89701.

2. The number of persons who:

(a) Attended each hearing:	7
(b) Testified at each hearing:	3
(c) Submitted to the agency written comments:	3

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.

Comments were solicited from affected businesses as outlined in #1. There were no additional inquiries or comments.

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. N/A

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 economic effect on businesses, either immediate or long-term. There is an economic benefit for state agencies to recover fees incurred on returned checks.
- b. There is no estimated economic effect on the general public, either adverse or beneficial, nor immediate or long-term. Those who remit checks to the state that are returned are subject to the \$25 returned check fee.

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

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

7. A description of any regulation of other state or government agencies which the proposed regulation overlaps or duplicates.

Any state agency which currently has a regulation or a statute for debt collection is exempt from this regulation, therefore, there is no overlap or duplication of regulations. There are no federal regulations that the proposed regulation duplicates.

8. Does the regulation include provisions which are more stringent than a federal regulation which regulates the same activity?

There are none.

9. Does the regulation provide a new fee or increase an existing fee?

This regulation does not provide or involve a new fee, however it requires each state agency that does not have an existing statute or regulation regarding debt collection to charge the existing \$25 returned check fee.