

**PROPOSED REGULATION OF THE  
SECRETARY OF STATE**

**LCB File No. R081-13**

October 3, 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 ~~his~~ *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:~~

~~1. 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 ~~;~~ *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.*