

Amendment No. 413

Senate Amendment to Senate Bill No. 198	(BDR 52-847)
<b>Proposed by:</b> Senate Committee on Commerce and Labor	
<b>Amends:</b> Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of S.B. 198 (§§ 12, 14.45).
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ASSEMBLY ACTION	Initial and Date		SENATE ACTION	Initial and Date	
Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____	Adopted <input type="checkbox"/>	Lost <input type="checkbox"/>	_____
Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Concurred In <input type="checkbox"/>	Not <input type="checkbox"/>	_____
Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____	Receded <input type="checkbox"/>	Not <input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

SJQ/AAK



Date: 4/18/2021

S.B. No. 198—Provides for the regulation of on-demand pay providers.  
(BDR 52-847)





## SENATE BILL NO. 198—SENATORS CANNIZZARO AND RATTI

MARCH 9, 2021

Referred to Committee on Commerce and Labor

SUMMARY—Provides for the regulation of on-demand pay providers. (BDR 52-847)

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 financial services; requiring a person who provides on-demand pay services through certain contractual arrangements with an employer or certain other persons to obtain a license from the Commissioner of Financial Institutions; imposing certain requirements on such licensees; requiring a person who provides on-demand pay services and who is not such a licensee to comply with certain provisions relating to installment loans and high-interest loans; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

**Sections 2-21** of this bill establish provisions relating to a business that delivers to a person money that represents income that the person has earned for services rendered to an employer but that has not yet been paid to the person. **Section 8** of this bill defines “on-demand pay provider” as a person who engages in such a business. **Section 9** of this bill defines “on-demand pay services” as the delivery to a person of money that represents earned but unpaid income.

**Sections 7 and 10** of this bill establish two types of on-demand pay providers, which are referred to as employer-integrated on-demand pay providers and third-party on-demand pay providers. **Section 7** generally defines “employer-integrated on-demand pay provider” to mean an on-demand pay provider who provides on-demand pay services to a person through a contractual arrangement with the person’s employer in which the provider verifies the earned income of the person through data or information provided by the employer. **Section 10** defines “third-party on-demand pay provider” to mean an on-demand pay provider who is not an employer-integrated on-demand pay provider.

**Section 12** of this bill prohibits a person from engaging in the business of an employer-integrated on-demand pay provider without a license issued by the Commissioner of Financial Institutions. **Sections 12-14** of this bill set forth certain requirements for licensure as an employer-integrated on-demand pay provider. **Section 14.2 of this bill requires each holder of a license as an employer-integrated on-demand pay provider to maintain a surety bond. Sections 14.3-14.4 of this bill authorize the Commissioner to conduct certain examinations of licensees. Section 14.5 of this bill requires the Commissioner to charge a fee for such examinations. Sections 14.5-14.6 of this bill set forth certain procedures for disciplinary actions against a licensee or person who violates the provisions of this bill. Section 14.65 of this bill sets forth a process for filing complaints against a licensee. Sections 14.7 and 14.75 of this bill requires a licensee to submit a notice to and obtain the**

26 approval of the Commissioner before taking certain actions, Section 15 of this bill  
 27 requires ~~an employer-integrated on-demand pay provider to~~ a licensee to submit certain  
 28 information to the Commissioner annually.

29 Section 16 of this bill sets forth certain requirements for the operation of an employer-  
 30 integrated on-demand pay provider. Section 17 of this bill provides that if an employer-  
 31 integrated on-demand pay provider is unable to be repaid the amount of money delivered to a  
 32 recipient of on-demand pay services, the provider is prohibited from: (1) collecting or  
 33 attempting to collect that money from the recipient; ~~for~~ (2) reporting certain information to a  
 34 consumer reporting agency ~~or~~; or (3) debiting the bank account of the user without his or  
 35 her affirmative consent. Section 18 of this bill prohibits an employer-integrated on-demand  
 36 pay provider from sharing certain fees with or paying certain compensation to an employer.

37 Section 20 of this bill provides that on-demand pay services provided by an employer-  
 38 integrated on-demand pay provider are not a loan and are not subject to any provisions of  
 39 existing law governing loans. Section 22 of this bill provides that the provisions of existing  
 40 law governing persons engaged in the business of transmitting money do not apply to an  
 41 employer-integrated on-demand pay provider.

42 Section 21 of this bill provides that on-demand pay services provided by a third-party on-  
 43 demand pay provider are a loan. Section 21 prohibits a person from engaging in the business  
 44 of a third-party on-demand pay provider unless the person has been issued a license pursuant  
 45 to the provisions of existing law governing installment loans or high-interest loans, as  
 46 applicable. (Chapters 604A and 675 of NRS)

47 Section 19 of this bill authorizes the Commissioner to adopt regulations for the  
 48 administration and enforcement of sections 2-21. Section 22.5 of this bill requires the  
 49 Commissioner to, on or before December 31, 2023, submit a report to the Legislature  
 50 containing certain information relating to the regulation of on-demand pay services.

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

1 Section 1. Title 52 of NRS is hereby amended by adding thereto a new  
 2 chapter to consist of the provisions set forth as sections 2 to 21, inclusive, of this  
 3 act.

4 Sec. 2. *As used in this chapter, unless the context otherwise requires, the*  
 5 *words and terms defined in sections 3 to 11, inclusive, of this act have the*  
 6 *meanings ascribed to them in those sections.*

7 Sec. 3. *“Commissioner” means the Commissioner of Financial*  
 8 *Institutions.*

9 Sec. 4. *“Earned but unpaid income” means earned income that has not yet*  
 10 *been paid to the user by an employer.*

11 Sec. 5. *“Earned income” means money that has accrued to the benefit of a*  
 12 *user for services rendered to an employer.*

13 Sec. 6. 1. *“Employer” means:*

14 (a) *A person who employs a user; or*

15 (b) *Any other person who is contractually obligated to pay a user any sum of*  
 16 *money on an hourly, project-based, piecework or other basis for services provided*  
 17 *by the user.*

18 2. *The term does not include:*

19 (a) *A customer of an employer; or*

20 (b) *Any other person whose obligation to make a payment to a user is based*  
 21 *solely on the agency relationship between the user and the employer.*

22 Sec. 7. *“Employer-integrated on-demand pay provider” means an on-*  
 23 *demand pay provider who provides on-demand pay services to a user through a*  
 24 *contractual arrangement with the user’s employer or a person who provides*  
 25 *payroll services to the employer, in which the provider verifies the earned income*

1 of the user through data or information provided by the employer or person, as  
2 applicable.

3 Sec. 7.5. "Licensee" means a person who has been issued one or more  
4 licenses to engage in the business of an employer-integrated on-demand pay  
5 provider.

6 Sec. 8. "On-demand pay provider" means a person who is engaged in the  
7 business of providing on-demand pay services to a user in this State.

8 Sec. 9. "On-demand pay services" means the delivery to a user of money  
9 that represents earned but unpaid income.

10 Sec. 10. "Third-party on-demand pay provider" means an on-demand pay  
11 provider who is not an employer-integrated on-demand pay provider.

12 Sec. 11. "User" means a natural person who receives on-demand pay  
13 services.

14 Sec. 12. 1. A person shall not engage in the business of an employer-  
15 integrated on-demand pay provider unless the person has been issued a license by  
16 the Commissioner pursuant to this section.

17 2. A person who wishes to be licensed as an employer-integrated on-  
18 demand pay provider must submit to the Commissioner the fee established  
19 pursuant to subsection 5 and an application, on a form prescribed by the  
20 Commissioner, which must contain:

21 (a) The name and address of the applicant;

22 (b) Financial statements of the applicant for the immediately preceding year  
23 which have been audited by an independent certified public accountant;

24 (c) A copy of the proposed terms and conditions or terms of use which will  
25 govern the provision of on-demand pay services by the applicant;

26 (d) A copy of the policy of the applicant relating to the privacy of information  
27 concerning users;

28 (e) The schedule of fees proposed to be charged to a user or employer for the  
29 provision of on-demand pay services; and

30 (f) Any other information required by any regulations adopted by the  
31 Commissioner pursuant to section 19 of this act.

32 3. Upon receipt of the application and when satisfied that the applicant is  
33 entitled thereto, the Commissioner shall issue to the applicant a license as an  
34 employer-integrated on-demand pay provider.

35 4. ~~4.1~~ Except as otherwise provided by regulation of the Commissioner, a  
36 license issued pursuant to this section expires annually on the anniversary of the  
37 issuance of the license and may be renewed upon submission of an application  
38 for renewal containing such information as the Commissioner may require by  
39 regulation.

40 5. The Commissioner shall establish by regulation fees for the issuance and  
41 renewal of a license issued pursuant to this section.

42 6. A license issued pursuant to this section is not transferrable or  
43 assignable.

44 Sec. 12.5. 1. In addition to any other requirements set forth in this  
45 chapter, each applicant for licensure as an employer-integrated on-demand pay  
46 provider must submit:

47 (a) Proof satisfactory to the Commissioner that the applicant:

48 (1) Is competent to transact the business of an employer-integrated on-  
49 demand pay provider.

50 (2) Has not made a false statement on the application for the license.

51 (3) Has not committed any of the acts specified in subsection 2.

1 (4) Has not had a license as an employer-integrated on-demand pay  
2 provider suspended or revoked within the 10 years immediately preceding the  
3 date of the application.

4 (5) Has not been convicted of, or entered a plea of nolo contendere to, a  
5 felony or any crime involving fraud, misrepresentation or moral turpitude.

6 (6) If the applicant is a natural person:

7 (I) Is at least 21 years of age; and

8 (II) Is a citizen of the United States or lawfully entitled to work in the  
9 United States.

10 (b) A complete set of his or her fingerprints and written permission  
11 authorizing the Division of Financial Institutions of the Department of Business  
12 and Industry to forward the fingerprints to the Central Repository for Nevada  
13 Records of Criminal History for submission to the Federal Bureau of  
14 Investigation for its report.

15 2. In addition to any other lawful reasons, the Commissioner may refuse to  
16 issue a license to an applicant for licensure as an employer-integrated on-  
17 demand pay provider if the applicant:

18 (a) Has committed or participated in any act for which, if committed or done  
19 by a licensee, would be grounds for the suspension or revocation of the license.

20 (b) Has previously been refused a license pursuant to this chapter or has had  
21 such a license suspended or revoked.

22 (c) Has participated in any act which was a basis for the refusal or  
23 revocation of a license pursuant to this chapter.

24 (d) Has falsified any of the information submitted to the Commissioner in  
25 support of the application for the license.

26 **Sec. 13. 1. In addition to the requirements set forth in ~~[section]~~ sections**  
27 **12 and 12.5 of this act, a natural person who applies for the issuance or renewal**  
28 **of a license as an employer-integrated on-demand pay provider shall:**

29 **(a) Include the social security number of the applicant in the application**  
30 **submitted to the Commissioner; and**

31 **(b) Submit to the Commissioner the statement prescribed by the Division of**  
32 **Welfare and Supportive Services of the Department of Health and Human**  
33 **Services pursuant to NRS 425.520. The statement must be completed and signed**  
34 **by the applicant.**

35 **2. The Commissioner shall include the statement required pursuant to**  
36 **paragraph (b) of subsection 1 in:**

37 **(a) The application or any other forms that must be submitted for the**  
38 **issuance or renewal of the license; or**

39 **(b) A separate form prescribed by the Commissioner.**

40 **3. A license as an employer-integrated on-demand pay provider may not be**  
41 **issued or renewed by the Commissioner if the applicant:**

42 **(a) Fails to submit the statement required pursuant to paragraph (b) of**  
43 **subsection 1; or**

44 **(b) Indicates on the statement submitted pursuant to paragraph (b) of**  
45 **subsection 1 that the applicant is subject to a court order for the support of a**  
46 **child and is not in compliance with the order or a plan approved by the district**  
47 **attorney or other public agency enforcing the order for the repayment of the**  
48 **amount owed pursuant to the order.**

49 **4. If an applicant indicates on the statement submitted pursuant to**  
50 **paragraph (b) of subsection 1 that the applicant is subject to a court order for the**  
51 **support of a child and is not in compliance with the order or a plan approved by**  
52 **the district attorney or other public agency enforcing the order for the repayment**  
53 **of the amount owed pursuant to the order, the Commissioner shall advise the**

1 *applicant to contact the district attorney or other public agency enforcing the*  
2 *order to determine the actions that the applicant may take to satisfy the*  
3 *arrearage.*

4 **Sec. 14.** *1. If the Commissioner receives a copy of a court order issued*  
5 *pursuant to NRS 425.540 that provides for the suspension of all professional,*  
6 *occupational and recreational licenses, certificates and permits issued to a person*  
7 *who is the holder of a license as an employer-integrated on-demand pay provider,*  
8 *the Commissioner shall deem the license issued to that person to be suspended at*  
9 *the end of the 30th day after the date on which the court order was issued unless*  
10 *the Commissioner receives a letter issued to the holder of the license by the*  
11 *district attorney or other public agency pursuant to NRS 425.550 stating that the*  
12 *holder of the license has complied with the subpoena or warrant or has satisfied*  
13 *the arrearage pursuant to NRS 425.560.*

14 *2. The Commissioner shall reinstate a license as an employer-integrated on-*  
15 *demand pay provider that has been suspended by a district court pursuant to NRS*  
16 *425.540 if the Commissioner receives a letter issued by the district attorney or*  
17 *other public agency pursuant to NRS 425.550 to the person whose license was*  
18 *suspended stating that the person whose license was suspended has complied with*  
19 *the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.*

20 **Sec. 14.2.** *1. Each licensee shall have in force a surety bond payable to*  
21 *the State of Nevada in the amount of \$35,000.*

22 *2. The bond must be in a form satisfactory to the Commissioner, issued by a*  
23 *bonding company authorized to do business in this State and must secure the*  
24 *faithful obligations of the holder of the license.*

25 *3. A licensee shall, within 10 days after the commencement of any action or*  
26 *notice of entry of any judgment against the person by any creditor or claimant*  
27 *arising out of the business of an employer-integrated on-demand pay provider,*  
28 *give notice thereof to the Commissioner by registered or certified mail with details*  
29 *sufficient to identify the action or judgment. The surety shall, within 10 days after*  
30 *it pays any claim or judgment to a creditor or claimant, give notice thereof to the*  
31 *Commissioner by certified mail with details sufficient to identify the creditor or*  
32 *claimant and the claim or judgment so paid.*

33 *4. Whenever the principal sum of the bond is reduced by recoveries or*  
34 *payments thereon, the holder shall furnish:*

35 *(a) A new or additional bond so that the total or aggregate principal sum of*  
36 *the bonds equals the sum required pursuant to subsection 1; or*

37 *(b) An endorsement, duly executed by the surety, reinstating the bond to the*  
38 *required principal sum.*

39 *5. The liability of the surety on a bond to a creditor or claimant is not*  
40 *affected by any misrepresentation, breach of warranty, failure to pay a premium*  
41 *or other act or omission of the licensee, or by any insolvency or bankruptcy of the*  
42 *licensee.*

43 *6. The liability of the surety continues as to all transactions entered into in*  
44 *good faith by the creditors and claimants with the agents of the licensee within 30*  
45 *days after:*

46 *(a) The death of the licensee or the dissolution or liquidation of the business*  
47 *of the licensee; or*

48 *(b) The termination of the bond,*  
49 *↪ whichever occurs first.*

50 **Sec. 14.25.** *Each license as an employer-integrated on-demand pay*  
51 *provider shall remain in full force and effect until it expires or is surrendered,*  
52 *revoked or suspended as provided in this chapter and the regulations adopted*  
53 *pursuant thereto.*

1        Sec. 14.3. I. For the purpose of discovering violations of this chapter or  
2 securing information lawfully required under this chapter, the Commissioner or  
3 his or her duly authorized representative may, upon reasonable prior notice,  
4 examine the books, accounts, papers and records used therein of:

5        (a) Any licensee;

6        (b) Any other person engaged in the business of an employer-integrated on-  
7 demand pay provider or participating in such business as a principal, agent,  
8 broker or otherwise; and

9        (c) Any person who the Commissioner has reasonable cause to believe is  
10 violating or is about to violate any provision of this chapter, whether or not the  
11 person claims to be within the authority or beyond the scope of this chapter.

12        2. For the purposes of examination, the Commissioner or his or her  
13 authorized representatives shall have and be given free access to the offices and  
14 places of business, and the files, safes and vaults of such persons.

15        3. For the purposes of this section, any person who advertises for, solicits or  
16 holds himself or herself out as willing to provide on-demand pay services through  
17 a contractual arrangement with an employer is presumed to be engaged in the  
18 business of an employer-integrated on-demand pay provider.

19        4. This section does not entitle the Commissioner or his or her authorized  
20 representatives to investigate the business or examine the books, accounts, papers  
21 or records of any attorney who is not a person described in subsection 1, other  
22 than examination of those books, accounts, papers and records maintained by  
23 such attorney in his or her capacity as a registered agent, and then only to the  
24 extent such books, accounts, papers and records are not subject to any privilege  
25 in NRS 49.035 to 49.115, inclusive.

26        Sec. 14.35. I. The Commissioner may require the attendance of any  
27 person and examine him or her under oath regarding:

28        (a) Any licensee; or

29        (b) The subject matter of any audit, examination, investigation or hearing.

30        2. The Commissioner may require the production of books, accounts,  
31 papers and records for any audit, examination, investigation or hearing.

32        Sec. 14.4. The Commissioner may annually make an examination of the  
33 place of business of each licensee and of the transactions, books, accounts,  
34 papers and records of the person as they pertain to the business of an employer-  
35 integrated on-demand pay provider.

36        Sec. 14.45. I. The Commissioner shall charge and collect from each  
37 licensee a fee at the rate established and, if applicable, adjusted pursuant to NRS  
38 658.101 for the cost of any supervision, audit, examination, investigation or  
39 hearing conducted pursuant to this chapter or any regulations adopted pursuant  
40 thereto.

41        2. All money collected by the Commissioner pursuant to subsection 1 must  
42 be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

43        Sec. 14.5. If the Commissioner finds that probable cause for revocation of  
44 a license of a licensee exists and that enforcement of this chapter requires  
45 immediate suspension of such a license pending investigation, he or she may,  
46 upon 5 days' written notice and a hearing, enter an order suspending the license  
47 for a period of not more than 20 days, pending a hearing about the revocation.

48        Sec. 14.55. I. Whenever the Commissioner has reasonable cause to  
49 believe that any person is violating or is threatening to or intends to violate any  
50 provision of this chapter, the Commissioner may, in addition to all actions  
51 provided for in this chapter and without prejudice thereto, enter an order  
52 requiring the person to desist or to refrain from such violation.



1 2. The Attorney General or the Commissioner may bring an action to enjoin  
2 a person from engaging in or continuing a violation or from doing any act or acts  
3 in furtherance thereof. In any such action, an order or judgment may be entered  
4 awarding a preliminary or final injunction as may be deemed proper.

5 Sec. 14.6. If the Commissioner has reason to believe that grounds for  
6 revocation or suspension of a license of a licensee exist, he or she shall notify the  
7 licensee not later than 20 days before the date of the hearing. Such notice must  
8 state the contemplated action and, in general, the grounds therefor and set a date  
9 for a hearing.

10 Sec. 14.65. 1. A user, an attorney for a user or any other person who  
11 believes that any provision of this chapter has been violated may file a complaint  
12 with the Commissioner. Such a complaint must include:

13 (a) The full name and address of the person filing the complaint;

14 (b) A clear and concise statement of facts sufficient to establish that the  
15 alleged violation occurred, including, without limitation, the date, time and place  
16 of the alleged violation and the name of each person involved in the alleged  
17 violation; and

18 (c) A certification by the person filing the complaint that the facts alleged in  
19 the complaint are true to the best knowledge and belief of the person.

20 2. Upon receipt of a complaint filed pursuant to subsection 1, the  
21 Commissioner shall send a copy of the complaint to the accused licensee. The  
22 licensee shall file a verified answer to the complaint within 10 business days after  
23 receipt of the complaint, unless, for good cause shown, the Commissioner extends  
24 the time for a period of not more than 30 days. If the licensee, or an authorized  
25 representative of the licensee, fails to file a verified answer within the time  
26 required by this subsection, the licensee shall be deemed to have admitted to the  
27 allegations contained in the complaint.

28 3. The Commissioner may make investigations and conduct hearings  
29 concerning complaints filed with the Commissioner pursuant to this section.

30 4. Except as otherwise provided in this section, a complaint filed with the  
31 Commissioner pursuant to subsection 1, all documents and other information  
32 filed with the complaint and all documents, reports and other information  
33 resulting from the investigation of the complaint are confidential and may be  
34 disclosed only as the Commissioner deems necessary to administer the provisions  
35 of this chapter.

36 Sec. 14.7. 1. A licensee shall not make any of the following changes  
37 unless the licensee has obtained the prior approval of the Commissioner in  
38 accordance with the provisions of this section:

39 (a) A change in the ownership of 20 percent or more of the capital stock or  
40 other equivalent ownership interest of the licensee;

41 (b) A change in control of the licensee;

42 (c) A change in the name of the licensee, including the name under which  
43 the licensee is doing business; or

44 (d) A change in the principal business address of the licensee or in the  
45 address of any office of the licensee in this State.

46 2. A licensee who wishes to make any change described in subsection 1  
47 must, not less than 10 business days before the date on which the change is to  
48 occur, submit a notice to the Commissioner. Such notice must include any  
49 information that the Commissioner may require.

50 3. Upon receipt of a notice submitted pursuant to subsection 2, the  
51 Commissioner shall approve or disapprove the proposed change. The  
52 Commissioner may disapprove a proposed change if, in the reasonable judgment  
53 of the Commissioner, the proposed change is inconsistent with the requirements

1 of this chapter. If the Commissioner does not respond to a licensee who submits a  
2 notice pursuant to subsection 2, including, without limitation, any request by the  
3 Commissioner for additional information from the licensee, within 10 business  
4 days of the date on which the notice was submitted, the proposed change shall be  
5 deemed approved.

6 4. As used in this section, "control" means the possession, directly or  
7 indirectly, of the power to direct or cause the direction of the management and  
8 policy of the licensee.

9 Sec. 14.75. In addition to the notice requirements set forth in section 14.7  
10 of this act, a licensee must, before making a change in the principal officers or  
11 directors of a licensee, submit a notice to the Commissioner within a time period  
12 prescribed by the Commissioner. If the submission of such a notice is not possible  
13 before the change due to the unilateral resignation of a principal officer or  
14 director or other similar circumstance, the licensee must submit to the  
15 Commissioner a notice as promptly as possible after such a change. If, in the  
16 reasonable judgment of the Commissioner, the change in the principal officers or  
17 directors of the licensee is inconsistent with the requirements of this chapter, the  
18 Commissioner may require the licensee to take such action as the Commissioner  
19 deems necessary to ensure compliance with the provisions of this chapter.

20 Sec. 15. 1. On or before ~~June 30~~ April 15 of each year, ~~an employer-~~  
21 ~~integrated on-demand pay provider~~ a licensee shall submit to the Commissioner:

22 (a) Except as otherwise provided in subsection 2, financial statements for the  
23 immediately preceding year that have been audited by an independent certified  
24 public accountant; and

25 (b) A copy of each complaint that has been filed against the ~~employer-~~  
26 ~~integrated on-demand pay provider~~ licensee with the Better Business Bureau or  
27 the Consumer Financial Protection Bureau and a description of the resolution, if  
28 any, of each such complaint.

29 2. If audited financial statements are not available to an employer-  
30 integrated on-demand financial provider on or before ~~June 30~~ April 15 in any year,  
31 the ~~provider~~ licensee may satisfy the requirements of paragraph (a) of  
32 subsection 1 by submitting to the Commissioner:

33 (a) Unaudited financial statements on or before ~~June 30~~ April 15; and

34 (b) Audited financial statements when such statements become available to  
35 the ~~provider~~ licensee.

36 Sec. 16. An employer-integrated on-demand pay provider shall:

37 1. Develop and implement policies and procedures to respond to questions  
38 raised by users and address complaints from users in an expedient manner;

39 2. Before entering into an agreement with a user for the provision of on-  
40 demand pay services:

41 (a) Inform the user of his or her rights under the agreement; and

42 (b) Fully and clearly disclose all fees associated with the on-demand pay  
43 services;

44 3. Allow the user to cancel, at any time and without incurring a fee, his or  
45 her participation in an agreement for the provision of on-demand pay services;  
46 and

47 4. Comply with all local, state and federal privacy and information security  
48 laws.

49 Sec. 17. 1. If an employer-integrated on-demand pay provider provides  
50 on-demand pay services to a user and is unable to be repaid the amount of money  
51 delivered to the user, the provider shall not, absent intentional and willful fraud  
52 by the user:

53 (a) Collect or attempt to collect that money from the user; ~~or~~

1 (b) Report any information regarding the inability of the provider to be  
 2 repaid to a consumer reporting agency ~~and~~; or

3 (c) Debit the bank account of the user without his or her affirmative consent.

4 2. As used in this section, “consumer reporting agency” has the meaning  
 5 ascribed to it in NRS 686A.640.

6 **Sec. 18.** An employer-integrated on-demand pay provider shall not:

7 1. Share with an employer any fees that were received from or charged to a  
 8 user; or

9 2. Pay any other compensation to an employer that is directly related to any  
 10 fees received from or charged to a user.

11 **Sec. 19.** The Commissioner may adopt regulations for the administration  
 12 and enforcement of this chapter, in addition to and not inconsistent with this  
 13 chapter. Such regulations may include, without limitation, requirements relating  
 14 to the retention of records by an employer-integrated on-demand pay provider.

15 **Sec. 20.** Nothing in this chapter shall be construed to cause any on-demand  
 16 pay services provided by an employer-integrated on-demand pay provider in  
 17 compliance with this chapter to be deemed a loan or to be subject to any of the  
 18 provisions of law governing loans. On-demand pay services provided by an  
 19 employer-integrated on-demand pay provider in compliance with this chapter are  
 20 not subject to any other statutory or regulatory provisions governing loans. If  
 21 there is a conflict between the provisions of this chapter and any other statute, the  
 22 provisions of this chapter control.

23 **Sec. 21.** 1. On-demand pay services provided by a third-party on-demand  
 24 pay provider shall be deemed a loan for the purposes of chapters 604A and 675 of  
 25 NRS. The amount of fees and any other charges charged for the provision of  
 26 such on-demand pay services shall be deemed to be interest or charges on the  
 27 loan for the purposes of those chapters.

28 2. A person shall not engage in the business of a third-party on-demand pay  
 29 provider unless the person has been issued the applicable license pursuant to  
 30 chapter 604A or 675 of NRS.

31 **Sec. 22.** NRS 671.020 is hereby amended to read as follows:

32 671.020 1. This chapter does not apply to any:

33 (a) Bank, its parent or holding company or any subsidiary thereof, trust  
 34 company, savings bank, savings and loan association, credit union, industrial bank  
 35 or industrial loan and investment company, organized and regulated under the laws  
 36 of this state or of the United States;

37 (b) Foreign banking corporation licensed to do banking business in this state;

38 ~~(c)~~  
 39 (c) Telegraph company providing a public message service ~~and~~; or

40 (d) Employer-integrated on-demand pay provider who is licensed pursuant to  
 41 the chapter consisting of sections 2 to 21, inclusive, of this act.

42 2. Subsection 1 does not reduce or alter any liability otherwise attaching to  
 43 the sale, issuance, receipt for transmission or transmission of checks or money in  
 44 any form.

45 **Sec. 22.5.** 1. On or before December 31, 2023, the Commissioner of  
 46 Financial Institutions shall prepare and submit a report to the Director of the  
 47 Legislative Counsel Bureau for transmittal to the Legislature which includes  
 48 an analysis of and any recommendations concerning on-demand pay services  
 49 and potential changes to regulations governing on-demand pay services that  
 50 may be warranted.

51 2. As used in this section, “on-demand pay services” has the meaning  
 52 ascribed to it in section 9 of this act.

1        *Sec. 23.* 1. This ~~act~~ section becomes effective ~~on January 1, 2022,~~ upon  
2 passage and approval.

3        2. Sections 1 to 22.5, inclusive, of this act become effective:

4        (a) Upon passage and approval for the purpose of adopting any  
5 regulations and performing any other preparatory administrative tasks that  
6 are necessary to carry out the provisions of this act; and

7        (b) On July 1, 2022, for all other purposes.

8        3. Sections 13 and 14 of this act expire by limitation on the date on which the  
9 provisions of 42 U.S.C. § 666 requiring each state to establish procedures under  
10 which the state has the authority to withhold or suspend, or to restrict the use of  
11 professional, occupational and recreational licenses of persons who:

12        (a) Have failed to comply with a subpoena or warrant relating to a proceeding  
13 to determine the paternity of a child or to establish or enforce an obligation for the  
14 support of a child; or

15        (b) Are in arrears in the payment of the support of one or more children,  
16        ↪ are repealed by the Congress of the United States.