

SENATE BILL NO. 45—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED NOVEMBER 19, 2018

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing business. (BDR 7-471)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

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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 business; revising the circumstances under which a person is not required to obtain a state business license; revising provisions governing the location at which certain documents of certain limited-liability partnerships, limited partnerships, foreign business trusts, and professional entities and associations are required to be maintained; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires a person to obtain a state business license and pay a fee before conducting business in this State. Under existing law, a person is deemed not to conduct a business in this State and, thus, is exempt from the requirement to obtain a state business license if the business for which the person is responsible: (1) is not a business entity organized under the law of this State; (2) does not have an office or base of operations in this State; (3) does not have a registered agent in this State; (4) is conducting activity in this State solely to provide vehicles or equipment on a short-term basis in response to a wildland fire, a flood, an earthquake or other emergency; and (5) only pays wages or other remuneration to natural persons in this State in connection with that activity. (NRS 76.100) Section 1 of this bill clarifies that this exemption from the requirements to obtain a state business license applies only to a person who satisfies all of the criteria for the exemption. Section 9 of this bill makes a conforming change to the existing law which authorizes the State to contract with a person who qualifies for this exemption even if the person does not hold a state business license. Existing law sets forth the circumstances under which a person is deemed to conduct a business in this State and, thus, is required to obtain a state business license. (NRS 76.100) Section 1 clarifies that a person is not required to obtain a



19 state business license if the Secretary of State determines that the person is not
20 conducting a business in this State.

21 Existing law requires certain types of business entities, including, without
22 limitation, corporations, nonprofit corporations and limited-liability companies, to
23 maintain certain documents at the principal place of business in this State or with a
24 custodian of records whose name and street address are available at the office of the
25 registered agent of the business entity in this State. (NRS 78.105, 78.152, 80.113,
26 82.181, 86.241, 86.54615) Under existing law, certain limited-liability partnerships,
27 limited partnerships, foreign business trusts, and professional entities and
28 associations are required to maintain certain documents at the office of the
29 registered agent of the business entity or at the principal place of the business entity
30 in this State. (NRS 87.515, 87.5413, 87A.200, 87A.640, 88A.7345, 89.045, 89.251)
31 **Sections 2-8** of this bill remove the authority of these limited-liability partnerships,
32 limited partnerships, foreign business trusts, and professional entities and
33 associations to maintain the required documents at the office of the registered agent
34 of the business entity and, instead, require these limited-liability partnerships,
35 limited partnerships, foreign business trusts, and professional entities and
36 associations to maintain the required documents at the principal place of business
37 of the entity or with the custodian of records of the business entity.

38 **Section 10** of this bill provides that this bill becomes effective upon passage
39 and approval.

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

1 **Section 1.** NRS 76.100 is hereby amended to read as follows:

2 76.100 1. A person shall not conduct a business in this State
3 unless and until the person obtains a state business license issued by
4 the Secretary of State. If the person is:

5 (a) An entity required to file an initial or annual list with the
6 Secretary of State pursuant to this title, the person must obtain the
7 state business license at the time of filing the initial or annual list.

8 (b) Not an entity required to file an initial or annual list with the
9 Secretary of State pursuant to this title, the person must obtain the
10 state business license before conducting a business in this State.

11 2. An application for a state business license must:

12 (a) Be made upon a form prescribed by the Secretary of State;

13 (b) Set forth the name under which the applicant transacts or
14 intends to transact business, or if the applicant is an entity organized
15 pursuant to this title and on file with the Secretary of State, the exact
16 name on file with the Secretary of State, the business identification
17 number as assigned by the Secretary of State pursuant to NRS
18 225.082, and the location in this State of the place or places of
19 business;

20 (c) Be accompanied by a fee in the amount of \$200, except that
21 if the applicant is a corporation organized pursuant to chapter 78,
22 78A or 78B of NRS, or a foreign corporation required to file an
23 initial or annual list with the Secretary of State pursuant to chapter



1 80 of NRS, the application must be accompanied by a fee of \$500;
2 and

3 (d) Include any other information that the Secretary of State
4 deems necessary.

5 ↪ If the applicant is an entity organized pursuant to this title and on
6 file with the Secretary of State and the applicant has no location in
7 this State of its place of business, the address of its registered agent
8 shall be deemed to be the location in this State of its place of
9 business.

10 3. The application must be signed pursuant to NRS 239.330 by:

11 (a) The owner of a business that is owned by a natural person.

12 (b) A member or partner of an association or partnership.

13 (c) A general partner of a limited partnership.

14 (d) A managing partner of a limited-liability partnership.

15 (e) A manager or managing member of a limited-liability
16 company.

17 (f) An officer of a corporation or some other person specifically
18 authorized by the corporation to sign the application.

19 4. If the application for a state business license is defective in
20 any respect or the fee required by this section is not paid, the
21 Secretary of State may return the application for correction or
22 payment.

23 5. A state business license issued pursuant to this section must
24 contain the business identification number assigned by the Secretary
25 of State pursuant to NRS 225.082.

26 6. The state business license required to be obtained pursuant
27 to this section is in addition to any license to conduct business that
28 must be obtained from the local jurisdiction in which the business is
29 being conducted.

30 7. For the purposes of this chapter, a person:

31 (a) Shall be deemed to conduct a business in this State if a
32 business for which the person is responsible:

33 (1) Is organized pursuant to this title, other than a business
34 organized pursuant to:

35 (I) Chapter 82 or 84 of NRS; or

36 (II) Chapter 81 of NRS if the business is a nonprofit unit-
37 owners' association or a nonprofit religious, charitable, fraternal or
38 other organization that qualifies as a tax-exempt organization
39 pursuant to 26 U.S.C. § 501(c);

40 (2) Has an office or other base of operations in this State;

41 (3) Except as otherwise provided in NRS 76.103, has a
42 registered agent in this State; or

43 (4) Pays wages or other remuneration to a natural person
44 who performs in this State any of the duties for which he or she is
45 paid.



1 (b) Shall be deemed not to conduct a business in this State if
2 ~~the~~ :

3 (1) *The* business for which the person is responsible:

4 ~~(1)~~ (I) Is not organized pursuant to this title;

5 ~~(2)~~ (II) Does not have an office or base of operations in
6 this State;

7 ~~(3)~~ (III) Does not have a registered agent in this State; *and*

8 ~~(4)~~ (IV) Does not pay wages or other remuneration to a
9 natural person who performs in this State any of the duties for which
10 he or she is paid, other than wages or other remuneration paid to a
11 natural person for performing duties in connection with an activity
12 described in subparagraph ~~(5)~~; *and*

13 ~~(5) Is~~ (2);

14 (2) *The business for which the person is responsible*
15 *satisfies all of the criteria set forth in subparagraph (1) and is*
16 *conducting activity in this State solely to provide vehicles or*
17 *equipment on a short-term basis in response to a wildland fire, a*
18 *flood, an earthquake or another emergency* ~~;~~ *or*

19 (3) *The Secretary of State determines that the person is not*
20 *conducting a business in this State.*

21 8. As used in this section, “registered agent” has the meaning
22 ascribed to it in NRS 77.230.

23 **Sec. 2.** NRS 87.515 is hereby amended to read as follows:

24 87.515 1. A registered limited-liability partnership shall
25 maintain at its ~~registered office or~~ principal place of business in
26 this State ~~;~~ *or with its custodian of records:*

27 (a) A current list of its managing partners; or

28 (b) A statement indicating where such a list is maintained.

29 2. Upon the request of the Secretary of State, the registered
30 limited-liability partnership shall:

31 (a) Provide the Secretary of State with the name and contact
32 information of the custodian of the list described in subsection 1.
33 The information required pursuant to this paragraph shall be kept
34 confidential by the Secretary of State.

35 (b) Provide written notice to the Secretary of State within 10
36 days after any change in the information contained in the list
37 described in subsection 1.

38 3. Upon the request of any law enforcement agency in the
39 course of a criminal investigation, the Secretary of State may require
40 a registered limited-liability partnership to:

41 (a) Submit to the Secretary of State, within 3 business days, a
42 copy of the list required to be maintained pursuant to subsection 1;
43 or

44 (b) Answer any interrogatory submitted by the Secretary of
45 State that will assist in the criminal investigation.



1 4. If a registered limited-liability partnership fails to comply
2 with any requirement pursuant to subsection 3, the Secretary of
3 State may take any action necessary, including, without limitation,
4 the suspension or revocation of the certificate of registration.

5 5. The Secretary of State shall not reinstate or revive a
6 certificate of registration that was revoked or suspended pursuant to
7 subsection 4 unless:

8 (a) The registered limited-liability partnership complies with the
9 requirements of subsection 3; or

10 (b) The law enforcement agency conducting the investigation
11 advises the Secretary of State to reinstate or revive the certificate of
12 registration.

13 6. The Secretary of State may adopt regulations to administer
14 the provisions of this section.

15 **Sec. 3.** NRS 87.5413 is hereby amended to read as follows:

16 87.5413 1. A foreign registered limited-liability partnership
17 shall maintain at its ~~[registered office or]~~ principal place of business
18 in this State ~~[:]~~ *or with its custodian of records:*

19 (a) A current list of its managing partners; or

20 (b) A statement indicating where such a list is maintained.

21 2. Upon the request of the Secretary of State, the foreign
22 registered limited-liability partnership shall:

23 (a) Provide the Secretary of State with the name and contact
24 information of the custodian of the list described in subsection 1.
25 The information required pursuant to this paragraph shall be kept
26 confidential by the Secretary of State.

27 (b) Provide written notice to the Secretary of State within 10
28 days after any change in the information contained in the list
29 described in subsection 1.

30 3. Upon the request of any law enforcement agency in the
31 course of a criminal investigation, the Secretary of State may require
32 a foreign registered limited-liability partnership to:

33 (a) Submit to the Secretary of State, within 3 business days, a
34 copy of the list required to be maintained pursuant to subsection 1;
35 or

36 (b) Answer any interrogatory submitted by the Secretary of
37 State that will assist in the criminal investigation.

38 4. If a foreign registered limited-liability partnership fails to
39 comply with any requirement pursuant to subsection 3, the Secretary
40 of State may take any action necessary, including, without
41 limitation, the suspension or revocation of the right of the foreign
42 registered limited-liability partnership to transact business in this
43 State.

44 5. The Secretary of State shall not reinstate or revive the right
45 of a foreign registered limited-liability partnership to transact



1 business in this State that was revoked or suspended pursuant to
2 subsection 4 unless:

3 (a) The registered limited-liability partnership complies with the
4 requirements of subsection 3; or

5 (b) The law enforcement agency conducting the investigation
6 advises the Secretary of State to reinstate or revive the right of the
7 foreign registered limited-liability partnership to transact business in
8 this State.

9 6. The Secretary of State may adopt regulations to administer
10 the provisions of this section.

11 **Sec. 4.** NRS 87A.200 is hereby amended to read as follows:

12 87A.200 1. A limited partnership shall maintain at its
13 ~~registered office or~~ principal office in this State *or with its*
14 *custodian of records* a statement indicating where the list required
15 pursuant to subsection 1 of NRS 87A.195 is maintained.

16 2. Upon the request of the Secretary of State, the limited
17 partnership shall:

18 (a) Provide the Secretary of State with the name and contact
19 information of the custodian of the list described in subsection 1.
20 The information required pursuant to this paragraph shall be kept
21 confidential by the Secretary of State.

22 (b) Provide written notice to the Secretary of State within 10
23 days after any change in the custodian of the list described in
24 subsection 1.

25 3. Upon the request of any law enforcement agency in the
26 course of a criminal investigation, the Secretary of State may require
27 a limited partnership to:

28 (a) Submit to the Secretary of State, within 3 business days, a
29 copy of the list required to be maintained pursuant to subsection 1 of
30 NRS 87A.195; or

31 (b) Answer any interrogatory submitted by the Secretary of
32 State that will assist in the criminal investigation.

33 4. If a limited partnership fails to comply with any requirement
34 pursuant to subsection 3, the Secretary of State may take any action
35 necessary, including, without limitation, the suspension or
36 revocation of the right of the limited partnership to transact any
37 business in this State.

38 5. The Secretary of State shall not reinstate or revive the right
39 of a limited partnership to transact any business in this State that
40 was revoked or suspended pursuant to subsection 4 unless:

41 (a) The limited partnership complies with the requirements of
42 subsection 3; or

43 (b) The law enforcement agency conducting the investigation
44 advises the Secretary of State to reinstate or revive the right of the
45 limited partnership to transact business in this State.



1 6. The Secretary of State may adopt regulations to administer
2 the provisions of this section.

3 **Sec. 5.** NRS 87A.640 is hereby amended to read as follows:

4 87A.640 1. A registered limited-liability limited partnership
5 shall maintain at its ~~registered office or~~ principal place of business
6 in this State ~~[]~~ *or with its custodian of records:*

7 (a) A current list of each general partner; or

8 (b) A statement indicating where such a list is maintained.

9 2. Upon the request of the Secretary of State, the registered
10 limited-liability limited partnership shall:

11 (a) Provide the Secretary of State with the name and contact
12 information of the custodian of the list described in subsection 1.
13 The information required pursuant to this paragraph shall be kept
14 confidential by the Secretary of State.

15 (b) Provide written notice to the Secretary of State within 10
16 days after any change in the information contained in the list
17 described in subsection 1.

18 3. Upon the request of any law enforcement agency in the
19 course of a criminal investigation, the Secretary of State may require
20 a registered limited-liability limited partnership to:

21 (a) Submit to the Secretary of State, within 3 business days, a
22 copy of the list required to be maintained pursuant to subsection 1;
23 or

24 (b) Answer any interrogatory submitted by the Secretary of
25 State that will assist in the criminal investigation.

26 4. If a registered limited-liability limited partnership fails to
27 comply with any requirement pursuant to subsection 3, the Secretary
28 of State may take any action necessary, including, without
29 limitation, the suspension or revocation of the certificate of
30 registration.

31 5. The Secretary of State shall not reinstate or revive a
32 certificate of registration that was revoked or suspended pursuant to
33 subsection 4 unless:

34 (a) The registered limited-liability limited partnership complies
35 with the requirements of subsection 3; or

36 (b) The law enforcement agency conducting the investigation
37 advises the Secretary of State to reinstate or revive the certificate of
38 registration.

39 6. The Secretary of State may adopt regulations to administer
40 the provisions of this section.

41 **Sec. 6.** NRS 88A.7345 is hereby amended to read as follows:

42 88A.7345 1. A foreign business trust shall maintain at its
43 ~~registered office;~~ *principal place of business in this State or with*
44 *its custodian of records:*

45 (a) A current list of its beneficial owners; or



1 (b) A statement indicating where such a list is maintained.
2 2. Upon the request of the Secretary of State, the foreign
3 business trust shall:

4 (a) Provide the Secretary of State with the name and contact
5 information of the custodian of the list described in subsection 1.
6 The information required pursuant to this paragraph shall be kept
7 confidential by the Secretary of State.

8 (b) Provide written notice to the Secretary of State within 10
9 days after any change in the information contained in the list
10 described in subsection 1.

11 3. Upon the request of any law enforcement agency in the
12 course of a criminal investigation, the Secretary of State may require
13 a foreign business trust to:

14 (a) Submit to the Secretary of State, within 3 business days, a
15 copy of the list required to be maintained pursuant to subsection 1;
16 or

17 (b) Answer any interrogatory submitted by the Secretary of
18 State that will assist in the criminal investigation.

19 4. If a foreign business trust fails to comply with any
20 requirement pursuant to subsection 3, the Secretary of State may
21 take any action necessary, including, without limitation, the
22 suspension or revocation of the right of the foreign business trust to
23 transact business in this State.

24 5. The Secretary of State shall not reinstate or revive the right
25 of a foreign business trust to transact business in this State that was
26 revoked or suspended pursuant to subsection 4 unless:

27 (a) The foreign business trust complies with the requirements of
28 subsection 3; or

29 (b) The law enforcement agency conducting the investigation
30 advises the Secretary of State to reinstate or revive the right of the
31 foreign business trust to transact business in this State.

32 6. The Secretary of State may adopt regulations to administer
33 the provisions of this section.

34 **Sec. 7.** NRS 89.045 is hereby amended to read as follows:

35 89.045 1. A professional entity shall maintain at its
36 ~~registered office or~~ principal place of business in this State ~~[-] or~~
37 *with its custodian of records:*

38 (a) A current list of its owners of record; or

39 (b) A statement indicating where such a list is maintained.

40 2. Upon the request of the Secretary of State, the professional
41 entity shall:

42 (a) Provide the Secretary of State with the name and contact
43 information of the custodian of the list described in subsection 1.
44 The information required pursuant to this paragraph shall be kept
45 confidential by the Secretary of State.



1 (b) Provide written notice to the Secretary of State within 10
2 days after any change in the information contained in the list
3 described in subsection 1.

4 3. Upon the request of any law enforcement agency in the
5 course of a criminal investigation, the Secretary of State may require
6 a professional entity to:

7 (a) Submit to the Secretary of State, within 3 business days, a
8 copy of the list required to be maintained pursuant to subsection 1;
9 or

10 (b) Answer any interrogatory submitted by the Secretary of
11 State that will assist in the criminal investigation.

12 4. If a professional entity fails to comply with any requirement
13 pursuant to subsection 3, the Secretary of State may take any action
14 necessary, including, without limitation, the suspension or
15 revocation of the corporate charter.

16 5. The Secretary of State shall not reinstate or revive a charter
17 that was revoked or suspended pursuant to subsection 4 unless:

18 (a) The professional entity complies with the requirements of
19 subsection 3; or

20 (b) The law enforcement agency conducting the investigation
21 advises the Secretary of State to reinstate or revive the corporate
22 charter.

23 6. The Secretary of State may adopt regulations to administer
24 the provisions of this section.

25 **Sec. 8.** NRS 89.251 is hereby amended to read as follows:

26 89.251 1. A professional association shall maintain at its
27 ~~registered office or~~ principal place of business in this State ~~{ }~~ *or*
28 *with its custodian of records:*

29 (a) A current list of each member; or

30 (b) A statement indicating where such a list is maintained.

31 2. Upon the request of the Secretary of State, the professional
32 association shall:

33 (a) Provide the Secretary of State with the name and contact
34 information of the custodian of the list described in subsection 1.
35 The information required pursuant to this paragraph shall be kept
36 confidential by the Secretary of State.

37 (b) Provide written notice to the Secretary of State within 10
38 days after any change in the information contained in the list
39 described in subsection 1.

40 3. Upon the request of any law enforcement agency in the
41 course of a criminal investigation, the Secretary of State may require
42 a professional association to:

43 (a) Submit to the Secretary of State, within 3 business days, a
44 copy of the list required to be maintained pursuant to subsection 1;
45 or



1 (b) Answer any interrogatory submitted by the Secretary of
2 State that will assist in the criminal investigation.

3 4. If a professional association fails to comply with any
4 requirement pursuant to subsection 3, the Secretary of State may
5 take any action necessary, including, without limitation, the
6 suspension or revocation of the articles of association.

7 5. The Secretary of State shall not reinstate or revive articles of
8 association that were revoked or suspended pursuant to subsection 4
9 unless:

10 (a) The professional association complies with the requirements
11 of subsection 3; or

12 (b) The law enforcement agency conducting the investigation
13 advises the Secretary of State to reinstate or revive the articles of
14 association.

15 6. The Secretary of State may adopt regulations to administer
16 the provisions of this section.

17 **Sec. 9.** NRS 353.007 is hereby amended to read as follows:

18 353.007 1. Except as otherwise provided in subsection 2, a
19 person shall not enter into a contract with the State of Nevada unless
20 the person is a holder of a state business license issued pursuant to
21 chapter 76 of NRS.

22 2. A person who is not a holder of a state business license may
23 enter into a contract with the State of Nevada if ~~[the business for~~
24 ~~which]~~, *pursuant to subparagraph (2) of paragraph (b) of*
25 *subsection 7 of NRS 76.100*, the person is ~~responsible:~~

26 ~~—(a) Is not organized pursuant to title 7 of NRS;~~

27 ~~—(b) Does not have an office or base of operations in this State;~~

28 ~~—(c) Does not have a registered agent in this State;~~

29 ~~—(d) Does not pay wages or other remuneration to a natural~~
30 ~~person who performs in this State any of the duties for which he or~~
31 ~~she is paid, other than wages or other remuneration paid to a natural~~
32 ~~person for performing duties in connection with an activity~~
33 ~~described in paragraph (e); and~~

34 ~~—(e) Is conducting activity in this State solely to provide vehicles~~
35 ~~or equipment on a short term basis in response to a wildland fire, a~~
36 ~~flood, an earthquake or another emergency.] *not required to obtain*~~
37 *a state business license.*

38 3. The provisions of this section apply to all offices,
39 departments, divisions, boards, commissions, institutions, agencies
40 or any other units of:

41 (a) The Legislative, Executive and Judicial Departments of the
42 State Government;

43 (b) The Nevada System of Higher Education; and

44 (c) The Public Employees' Retirement System.



1 **Sec. 10.** This act becomes effective upon passage and
2 approval.

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