

STATE OF NEVADA



JOE LOMBARDO
Governor

DEPARTMENT OF BUSINESS AND INDUSTRY

DR. KRISTOPHER SANCHEZ
Director

FINANCIAL INSTITUTIONS DIVISION

SANDY O'LAUGHLIN
Commissioner

DATE: December 1, 2023
TO: Whom It May Concern
FROM: Mary Young
Deputy Commissioner

The State of Nevada, Department of Business and Industry, Financial Institutions Division (Division) is providing the enclosed Notice of Second Workshop to Solicit Comment on Proposed Regulations pertaining to NRS 671 as amended by Assembly Bill 21 (A.B.21) – Money Transmission (Money Transmission Modernization Act) from the 2023 Legislative Session.

The regulation included in this memorandum is being proposed for permanent adoption. In order to review the proposed regulation and solicit comments from interested persons, a workshop will be held via Webex conference at 1:00 p.m. PST on Tuesday, December 19, 2023, and for those wish to participate in-person, at the Nevada State Business Center.

Enclosures:

Notice of Second Workshop and Workshop Agenda
Proposed Regulation
Small Business Impact Statement
Enrolled Version A.B.21

NOTICE OF SECOND WORKSHOP
TO SOLICIT COMMENTS ON PROPOSED REGULATIONS PERTAINING TO
ASSEMBLY BILL 21 (A.B.21) - MONEY TRANSMISSION AND
WORKSHOP AGENDA

The State of Nevada, Financial Institutions Division (“Division”), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing the adoption of regulations to Chapter 671 of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of the passage of Assembly Bill 21 (A.B.21) during the 82nd Session of the Nevada Legislature. This workshop will be conducted in accordance with NRS 233B.061 and the purpose is to solicit comments from interested persons on the proposed regulations to be held through videoconference, teleconference, and in-person:

Date: Tuesday, December 19, 2023

Time: 1:00 p.m. PST

To join by Webex, join the Webex meeting by clicking on the link below:

<https://businessnv2.webex.com/businessnv2/j.php?MTID=m8fcfc1eecd3ce3ac200bb0a257e18a58>

Meeting number (access code): 2487 098 8892

Meeting password: AB21WS2

To join by telephone, call the toll-free number:

1-844-621-3956 United States Toll-Free

For those wishing to participate in-person, the following physical location is being made available:

Nevada State Business Center
Nevada Room, 4th Floor
3300 W. Sahara, Avenue
Las Vegas, Nevada 89102

Below is an agenda of all items scheduled to be considered. Persons who may be subject to the provisions of the new law regarding money transmission should attend. At the discretion of the Commissioner, public comment may be limited to three minutes per person. Members of the public are encouraged to submit written comments for the record no later than **December 12, 2023**. Written comment can be submitted to the Division by email: fidmaster@fid.state.nv.us or by mail: 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102.

A copy of all materials relating to the proposal may be obtained by visiting the Division's website at: <http://fid.nv.gov> or by contacting the Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120. Members of the public who would like additional information about a proposed regulation may contact Mary Young, Deputy Commissioner, at (702) 486-4120, or via e-mail to fidmaster@fid.state.nv.us

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation in writing no later than five (5) working days before the workshop via email to fidmaster@fid.state.nv.us

WORKSHOP AGENDA:

1. Open Workshop
2. Public Comment
3. Presentation of Proposed Regulation to amend NAC 671 regarding Money Transmission NRS 671 as amended by A.B. 21 (2023 Legislative Session). -**FOR DISCUSSION AND POSSIBLE ACTION**
4. Public Comment
5. Close Workshop

PROPOSED REGULATIONS:

See attached.

NOTICE OF THE WORKSHOP HAS BEEN PROVIDED AS FOLLOWS:

By email to all persons on the Division's email list for noticing of administrative regulations.

By email to all licensees under NRS 671.

Posted at the Division's principal office/in-person physical location- 3300 W. Sahara, Ave., Suite. 250, Las Vegas, Nevada 89102

Posted online to the Nevada Legislature website: <https://www.leg.state.nv.us/App/Notice/A/>

Posted online to the State of Nevada Public Notice website: <https://notice.nv.gov>

Posted online to the Division's website: <https://fid.nv.gov>

**REVISED DRAFT PROPOSED REGULATION OF
THE COMMISSIONER OF THE FINANCIAL INSTITUTIONS DIVISION (“Division”)
LCB File No. R121-23**

The following document is the proposed regulations with revisions made after considering both written and verbal comments from the first workshop held on November 28, 2023. The Division considered all comments and removed language and/or requirements that were confusing or would cause unnecessary efforts on the part of the Earned Wage Access licensees, if it did not impact the consumer protection responsibility of the Division. The revisions and/or omissions are in the following proposed regulations. The revisions and/or omissions are in the following proposed regulations.

Purpose: To adopt regulations under the Nevada Administrative Code to implement Assembly Bill No. 21 (2023), which amends Nevada Revised Statutes Chapter 671 by adding provisions related to money transmission.

Authority: NRS 671.030

Explanation: Material in *blue bold italics* is new language; material in ~~red bold brackets~~ is to be omitted from current regulation. All comments received from the small business impact notice and workshop were considered but not all could be addressed. The matters addressed are referenced in this draft as *green italics* for additional language and matters in ~~purple double strikethrough~~ is language to be omitted.

Section 1. *Chapter 671 of NAC is hereby amended by adding thereto the provisions set forth as sections 2 to 11, inclusive, of this regulation.*

Sec. 2. *As used in this chapter, unless the context otherwise requires, the words and terms defined in this chapter have the meanings ascribed to them in those sections and sections 4 through 32 of Assembly Bill 21.*

Sec. 3. *All licensees shall create and maintain an information security program to safeguard the nonpublic personal information of customers to the extent required by 16 C.F.R. Part 314 (the "Safeguards Rule"). The Division may review, to the extent applicable, licensee's*

information security programs, risk assessments, incident response plans, and other required elements of the Safeguards Rule.

Sec. 4. ~~[NAC 671.005 – “Licensee” defined. (NRS 671.030) – As used in this chapter, unless the context otherwise requires, “licensee” means any person licensed pursuant to this chapter and chapter 671 of NRS.]~~

Sec. 5. ~~[NAC 671.007 – Requirements for issuance of license to business entity. (NRS 671.030, 671.055) – If an application for a license is submitted by a business entity, the Commissioner will not issue a license to the applicant unless each partner, principal officer, director and trustee, whichever are applicable to the business entity, satisfies the requirements of NRS 671.055.]~~

Sec. 6. NAC 671.020 Fees: Application for license. An application for a license submitted pursuant to [NRS 671.050](#) must be accompanied by:

1. A nonrefundable *application* fee of ~~[\$375]~~ \$500; and
2. A *license* fee of ~~[\$300]~~ \$400, ~~[prorated by the Commissioner].~~

Sec. 7. NAC 671.030 Fees: Renewal of license; reinstatement of expired license.

1. A licensee shall pay annually to the Division a fee of ~~[\$300]~~ \$400 for the renewal of his or her license.
2. If the Commissioner reinstates an expired license, the licensee shall pay a reinstatement fee of ~~[\$300]~~ \$400 in addition to the renewal fee prescribed in subsection 1.

Sec.8. ~~[NAC 671.040 – Fees: Application and license for agent of licensee. (NRS 671.030, 671.090) – An agent who must be licensed pursuant to NRS 671.090 shall pay to the Division:~~

- ~~1. An application fee of \$250; and~~
- ~~2. A license fee of \$250.]~~

Sec. 9. ~~NAC 671.075~~ Maintenance of ~~[separate custodial or trust] bank accounts~~ [and related records]. ~~(NRS 671.030)~~

~~1. Except as provided in subsection 5, [Every] a licensee shall maintain a separate [custodial or trust] bank account held for the benefit of the licensee's customers in a [bank or credit union that is] federally or privately insured depository institution. [in which must be deposited all money collected by the licensee.] [The account must be maintained in a bank or credit union located in this State and bear some title] *The title of the account must be sufficient to distinguish it from the licensee's personal or general checking account, such as "customers funds account"* [and to designate it as a trust account, such as "customer's trust [fund] account"] [or "*for the benefit of customers.*"] [The account must at all times contain sufficient money to pay all money due or owing to all customers, and no disbursement may be made from the account except to customers or to pay costs advanced for those customers, except that a licensee may periodically withdraw from the account such money as may accrue to the licensee from collections deposited or from adjustments resulting from costs advanced and payments made directly to customers.]~~

~~2. Every authorized delegate shall at all times maintain a separate bank account held for the benefit of the licensee in a custodial or trust account in a bank or credit union that is federally or privately insured depository institution in which must be deposited all money collected on behalf of the licensee. The title of the account must be sufficient to distinguish it from the authorized delegate's personal or general checking account, and to designate it as a trust account or for the benefit of account, such as "*for the benefit of [licensee's name].*" An authorized delegate must remit and handle money, credits and monetary value in accordance with the terms of the contract with the licensee.]~~

~~[[2.] 3. Every licensee and authorized delegate maintaining a separate bank account custodial or trust account shall keep a record of all money deposited in the account, which must indicate clearly the date and from whom the money was received, the date deposited, the dates of withdrawals and other pertinent information concerning the transaction, and which must show clearly for whose account the money is deposited and to whom the money belongs. The records and money are subject to inspection by the Commissioner or an authorized representative of the Commissioner. The records must be maintained [at the premises in this State at which the licensee is authorized to conduct business.] in accordance with NRS 671.]~~

~~[[3.] 3. The licensee and authorized delegate shall reconcile each custodial or trust account established pursuant to subsection 1 on a monthly basis.~~

~~[[4.] 5. If the Commissioner finds that a licensee's or authorized delegates records are not maintained pursuant to subsections 2 and 3, the Commissioner may require the licensee or authorized delegate to deliver an audited financial statement prepared from the records of the licensee or authorized delegate by a certified public accountant who is in good standing in the state where the report is prepared. [holds a certificate to engage in the practice of public accounting in this State.] The statement must be submitted within 60 days after the Commissioner requests it. The Commissioner may grant a reasonable extension for the submission of the financial statement if an extension is requested before the statement is due.~~

~~[[5.] 6. 4. If any money or credits received for transmission by a licensee or authorized delegate in a custodial or trust account of a licensee or authorized delegate becomes presumed abandoned pursuant to NRS 120A.500, the licensee shall comply with the provisions of chapter 120A of NRS with respect to the money.]~~

~~5. If a licensee does not collect money or credit belonging to another, an exemption from subsection 1 may be granted by submitting a request to the Commissioner along with their business model and any other documentation demonstrating the money or credit does not belong to another. The Commissioner may request additional information or documentation that may be needed to process the request.~~

~~Sec. 10. [NAC 671.090—Inspection of documents filed with Division. (NRS 671.030) Except as otherwise provided in NAC 671.100 and 671.130 and NRS 671.170, all papers, documents, reports and other written instruments filed with the Division pursuant to this chapter and chapter 671 of NRS are open to public inspection unless the Commissioner determines that the information is required to be withheld to protect the public welfare or the welfare of a licensee.]~~

Sec. 11. NAC 671.095 Confidentiality of records. (NRS 671.030) *In addition to the records deemed confidential in sections 37 and 78 of Assembly Bill 21, [An] an* application for a license and financial records ~~[, if any,]~~ submitted by an applicant pursuant to the provisions of this chapter and chapter 671 of NRS, financial records or other documents submitted by a licensee pursuant to an audit or examination conducted by the Division and any report of examination made by the Division are confidential and may be disclosed only to:

1. The Division, an authorized employee of the Division or an agency of this State, any other state or the Federal Government that is investigating the activities of an applicant or a licensee; or
2. Any person if the Commissioner determines, in the Commissioner's sole discretion, that the public interest in disclosure of the information outweighs the interest of the applicant or licensee.

Sec. 12. NAC 671.075 If *any money or credits received for transmission by a licensee or authorized delegate* ~~in a custodial or trust account of a licensee or authorized delegate~~

becomes presumed abandoned pursuant to NRS 120A.500, the licensee shall comply with the provisions of chapter 120A of NRS with respect to the money *or credits*.

Assembly Bill No. 21–Committee on Commerce and Labor

CHAPTER.....

AN ACT relating to financial services; revising the powers and duties of the Commissioner of Financial Institutions with respect to the licensure and regulation of persons engaged in the business of money transmission; exempting certain persons from provisions governing money transmission; revising provisions relating to the issuance and renewal of licenses to engage in the business of money transmission; revising provisions relating to the confidentiality of certain records maintained by the Commissioner; imposing certain requirements and restrictions on applicants for a license, licensees, authorized delegates, key individuals and persons seeking to acquire control of a licensee; setting forth certain requirements for transactions involving money transmission; revising provisions relating to the suspension, revocation or denial of renewal of a license; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law provides for the licensure and regulation by the Commissioner of Financial Institutions of persons engaged in the business of selling or issuing checks or of receiving for transmission or transmitting money or credits. (Chapter 671 of NRS) This bill adds to, revises and repeals various provisions in the existing statutory scheme governing the licensure and regulation of such persons for the purposes of establishing a statutory scheme governing persons engaged in the business of money transmission, which is modeled, in general, after the Model Money Transmission Modernization Act approved by the Conference of State Bank Supervisors.

Sections 4-32 of this bill define words and terms for the purposes of this bill. **Section 20** of this bill defines “money transmission” to mean: (1) selling or issuing payment instruments to a person located in this State; (2) selling or issuing stored value to a person located in this State; or (3) receiving money or credits for transmission from a person located in this State. **Section 20** provides that the term includes payroll processing services and does not include the provision of certain other services.

Section 66 of this bill exempts certain specified persons from the provisions of this bill. **Section 34** of this bill authorizes the Commissioner to exempt additional persons under certain circumstances. **Section 35** of this bill authorizes the Commissioner to require any person claiming an exemption to provide certain proof of that exemption.

Existing law provides that certain reports relating to investigations, hearings and examinations conducted by the Commissioner to determine whether a licensee or other person has committed a violation of the provisions governing money transmission are confidential. (NRS 671.170) **Sections 37 and 82** of this bill make certain additional information and documents confidential and set forth the circumstances under which such information and documents may be disclosed.

Section 36 of this bill authorizes the Commissioner to engage in various activities to carry out the purposes of the provisions of this bill.

Section 67 of this bill prohibits a person from engaging in the business of money transmission unless the person: (1) has been issued a license; or (2) is an authorized delegate of a licensee that is acting within the scope of authority conferred by a written contract with the licensee. **Section 68** of this bill sets forth certain requirements for an application for a license. **Section 69** of this bill sets forth the circumstances under which the Commissioner is required to issue a license to an applicant. **Section 70** of this bill sets forth certain requirements for the renewal of a license.

Section 38 of this bill requires a licensee who wishes to engage in the business of money transmission through an authorized delegate to: (1) enter into a written contract with the authorized delegate that meets certain requirements; and (2) take certain other actions. **Section 71** of this bill makes a conforming change to refer to an authorized delegate instead of a duly appointed agent.

Existing law requires all money or credit received by an agent of a licensee from the sale and issuance of checks or for the purpose of transmission to be remitted to the licensee or deposited with a bank or credit union authorized to do business in this State within a certain amount of time following the receipt of the money or credits. (NRS 671.150) **Sections 38, 40 and 84** of this bill revise requirements regarding the remittance of money, credits or monetary value by a person who engages in money transmission on behalf of a licensee. **Section 38** requires an authorized delegate to remit and handle money, credits and monetary value in accordance with the terms of the written contract entered into with the licensee. **Section 38** defines “remit” to mean, in general, to make a direct payment of money, credits or monetary value to a licensee or to deposit money in an account in a bank or credit union specified by the licensee. **Section 38** provides that all money net of fees received by an authorized delegate from money transmission is held in trust by the authorized delegate to the benefit of the licensee. **Section 40** provides that an authorized delegate who knowingly fails to remit money held in trust for the benefit of a licensee is guilty of a misdemeanor.

Section 39 of this bill provides that a person who engages in the business of money transmission on behalf of an unlicensed person who is not exempt from licensure is jointly and severally liable with the person.

Sections 40-44 of this bill set forth certain requirements relating to transactions involving money transmission. **Section 33** of this bill sets forth the method for determining whether a transaction involving money transmission takes place in this State.

Existing law requires a licensee to at all times maintain certain securities or assets having a value that is equal to or more than the aggregate liability of the licensee with respect to checks sold and issued and money or credits received for transmission. (NRS 671.150) **Section 84** repeals that requirement. **Section 45** of this bill instead requires a licensee to maintain at all times permissible investments with a market value of not less than the aggregate amount of all of the outstanding money transmission obligations, as defined in **section 23** of this bill, of the licensee. **Sections 46 and 47** of this bill set forth the investments that qualify as permissible investments for the purposes of **section 45**.

Existing law requires a licensee to have in force a surety bond meeting certain requirements. (NRS 671.100) **Section 74** of this bill revises the requirements for such a surety bond. **Section 49** of this bill requires a licensee to at all times maintain a tangible net worth in a specified amount. **Sections 56-61** of this bill impose certain requirements on a licensee concerning reporting and recordkeeping. **Section 78** of this bill eliminates certain reporting requirements for a licensee.

Existing law requires the rates charged for services related to money transmission to be posted in every place of business licensed or covered by a license and prohibits fees from being charged or collected in excess of the posted rates. (NRS 671.140) **Section 84** repeals those provisions.

Section 50 of this bill requires a person or group of persons acting in concert seeking to acquire control of a licensee to obtain the approval of the Commissioner before acquiring control of the licensee. **Section 50** sets forth the process for obtaining such approval.

Section 51 of this bill establishes a process by which a person may request that the Commissioner determine whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. **Section 52** of this bill sets forth certain persons who are not required to comply with the requirements of **section 50** under certain circumstances.

Section 53 of this bill requires a licensee to provide certain notice to the Commissioner if the licensee adds or replaces a “key individual,” which **section 13** of this bill defines, in general, to mean any natural person ultimately responsible for establishing or directing policies and procedures of a licensee. **Section 53** authorizes the Commissioner to disapprove a key individual under certain circumstances.

Existing law authorizes the Commissioner to participate in the Nationwide Multistate Licensing System and Registry and sets forth various actions the Commissioner is authorized to take relating to participating in the Registry. (NRS 671.092) **Section 72** of this bill authorizes the Commissioner to take certain additional actions relating to the Registry. **Section 54** of this bill authorizes the Commissioner to participate in certain multistate supervisory processes.

Existing law requires an applicant for a license and certain other persons to submit to the Registry a complete set of fingerprints and certain information relating to the background of the person. (NRS 671.098) **Section 73** of this bill: (1) requires certain additional information to be submitted to the Commissioner through the Registry; and (2) revises the list of persons who are required to submit a complete set of fingerprints and such information.

Section 75 of this bill revises provisions relating to examinations of licensees conducted by the Commissioner.

Existing law authorizes the Commissioner to issue an order requiring the immediate cessation of the business of a licensee under certain circumstances. (NRS 671.160) **Section 63** of this bill authorizes the Commissioner to issue an order requiring a licensee or authorized delegate to cease and desist certain violations. **Section 62** of this bill authorizes the Commissioner to issue an order suspending or revoking the designation of an authorized delegate under certain circumstances. **Section 64** of this bill authorizes the Commissioner to resolve a matter arising from a violation or alleged violation by a person through a consent order.

Section 79 of this bill revises the list of acts that constitute grounds for suspension, revocation or denial of renewal of a license.

Section 48 of this bill authorizes the Commissioner to suspend or revoke the license of a licensee if the licensee does not continue to meet the requirements applicable to an applicant for a license.

Section 81 of this bill provides that any person who, without a license, knowingly engages in any activity for which a license is required is guilty of a misdemeanor.

Section 55 of this bill provides that, if a provision of this bill is inconsistent with a federal law governing money transmission, the federal law governs to the extent of the inconsistency. **Section 65** of this bill requires that consideration of the need to promote uniformity of the law with respect to money transmission be given in applying and construing the provisions of this bill.

Section 83 of this bill authorizes a person who is licensed on June 30, 2023, to engage in the business of selling or issuing checks or of receiving for transmission money or credits to continue engaging in such business in accordance with the provisions of existing law as they existed before July 1, 2023, until January 1, 2024.

Section 84 repeals certain provisions relating to an agent of a licensee, certain qualifications for licensure and certain requirements imposed on licensees and their agents. **Section 84** also repeals the definition of “check,” “licensee” and “Nationwide Multistate Licensing System and Registry.” **Sections 14 and 22** of this bill, respectively, reenact the definitions of “licensee” and “Nationwide Multistate Licensing System and Registry.” **Section 1** of this bill makes a conforming change to reflect the terminology used to describe persons licensed to engage in the business of money transmission as set forth in this bill.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets [omitted material] is material to be omitted.

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

Section 1. NRS 658.098 is hereby amended to read as follows:

658.098 1. On a quarterly or other regular basis, the Commissioner shall collect an assessment pursuant to this section from each:

- (a) Check-cashing service or deferred deposit loan service that is supervised pursuant to chapter 604A of NRS;
- (b) Collection agency that is supervised pursuant to chapter 649 of NRS;
- (c) Bank that is supervised pursuant to chapters 657 to 668, inclusive, of NRS;
- (d) Trust company or family trust company that is supervised pursuant to chapter 669 or 669A of NRS;
- (e) Person engaged in the business of [selling or issuing checks or of receiving for transmission or transmitting] money [or credits] *transmission* that is supervised pursuant to chapter 671 of NRS;
- (f) Savings and loan association or savings bank that is supervised pursuant to chapter 673 of NRS;
- (g) Person engaged in the business of lending that is supervised pursuant to chapter 675 of NRS;
- (h) Thrift company that is supervised pursuant to chapter 677 of NRS; and
- (i) Credit union that is supervised pursuant to chapter 672 of NRS.
- (j) Consumer litigation funding company that is supervised pursuant to chapter 604C of NRS.

2. The Commissioner shall determine the total amount of all assessments to be collected from the entities identified in subsection 1, but that amount must not exceed the amount necessary to recover the cost of legal services provided by the Attorney General to the Commissioner and to the Division of Financial Institutions. The total amount of all assessments collected must be reduced by any amounts collected by the Commissioner from an entity for the recovery of the costs of legal services provided by the Attorney General in a specific case.

3. The Commissioner shall collect from each entity identified in subsection 1 an assessment that is based on:

- (a) A portion of the total amount of all assessments as determined pursuant to subsection 2, such that the assessment collected from an entity identified in subsection 1 shall bear the same relation to the total amount of all assessments as the total assets of that entity bear to the total of all assets of all entities identified in subsection 1; or
- (b) Any other reasonable basis adopted by the Commissioner.

4. The assessment required by this section is in addition to any other assessment, fee or cost required by law to be paid by an entity identified in subsection 1.

5. Money collected by the Commissioner pursuant to this section must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 2. Chapter 671 of NRS is hereby amended by adding thereto the provisions set forth as sections 3 to 65, inclusive, of this act.

Sec. 3. *As used in this chapter, unless the context otherwise requires, the words and terms defined in sections 4 to 32, inclusive, of this act have the meanings ascribed to them in those sections.*

Sec. 4. *“Authorized delegate” means a person designated by a licensee to engage in money transmission on behalf of the licensee.*

Sec. 5. *“Average daily money transmission liability” means the amount of the outstanding money transmission obligations of the licensee in this State at the end of each day in a calendar quarter, added together and divided by the number of days in the calendar quarter.*

Sec. 6. *“Bank Secrecy Act” means the Bank Secrecy Act, 31 U.S.C. §§ 5311 et seq., as amended, and the regulations adopted pursuant thereto.*

Sec. 7. *“Calendar quarter” has the meaning ascribed to it in NRS 702.020.*

Sec. 8. *“Closed loop stored value” means stored valued that is redeemable by the issuer only for goods or services provided by the issuer, its affiliate or a franchisee of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value.*

Sec. 9. 1. *“Control” means:*

- (a) *The power to vote, directly or indirectly, at least 25 percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee;*
- (b) *The power to elect or appoint a majority of key individuals or executive officers, managers, directors, trustees or other persons exercising managerial authority of a person in control of a licensee; or*
- (c) *The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee.*

2. A person is presumed to exercise control if the person holds the power to vote, directly or indirectly, at least 10 percent of the outstanding voting shares or voting interests of a licensee or person in control of a licensee. This presumption may be rebutted by a showing that the person is a passive investor.

3. In determining the percentage of a person controlled by any other person, the interest of the person must be aggregate with the interest of any other immediate family member. For the purposes of this subsection, "immediate family member" means the spouse, parent, child, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law and sister-in-law of a person and any person who shares the home of the person.

Sec. 10. 1. "Eligible rating" means a credit rating that is within any of the three highest rating categories of a least one eligible rating service. Each rating category may include category modifiers such as "plus" or "minus" for Standard and Poor's Rating Services or the equivalent for any other eligible rating service.

2. The term includes:

(a) A long-term credit rating of "A-" or higher by Standards and Poor's Rating Services or the equivalent from any other eligible rating service.

(b) A short-term credit rating of "A-2" or "SP-2" or higher by Standard and Poor's Rating Services or the equivalent from any other eligible rating service.

Sec. 11. "Eligible rating service" means any nationally recognized statistical rating organization, as defined in 15 U.S.C. § 78c, or any other organization designated by the Commissioner.

Sec. 12. "Federally insured depository financial institution" means a bank, credit union, savings and loan association, savings association, savings bank, industrial bank or industrial loan company organized under the laws of any state or of the United States, when the bank, credit union, savings and loan association, savings association, savings bank, industrial bank or industrial loan company has deposits which are federally insured.

Sec. 13. "Key individual" means any natural person ultimately responsible for establishing or directing policies and procedures of a licensee, such as an executive officer, manager, director or trustee.

Sec. 14. "Licensee" means any person licensed under this chapter.

Sec. 15. "Material litigation" means litigation that, according to generally accepted accounting principles in the United States, is significant to the financial health of a person and would be required to be disclosed by the person in an annual audited financial statement, report to shareholders or similar record.

Sec. 16. "Monetary value" means a medium of exchange, whether or not redeemable in money.

Sec. 17. "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments.

Sec. 18. "Money or credits received for transmission" means any money, credits or monetary value received in the United States for transmission within or outside the United States by electronic or other means.

Sec. 19. "Money services business accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and the Money Transmitter Regulators Association for money transmission licensing and supervision.

Sec. 20. 1. "Money transmission" means any of the following:

(a) Selling or issuing payment instruments to a person located in this State.

(b) Selling or issuing stored value to a person located in this State.

(c) Receiving money or credits for transmission from a person located in this State.

2. The term includes payroll processing services.

3. The term does not include the provision solely of online or telecommunications services or network access.

Sec. 21. "Multistate licensing process" means any agreement entered into by and among state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations or notice and information requirements for a change of key individuals.

Sec. 22. *“Nationwide Multistate Licensing System and Registry” or “Registry” has the meaning ascribed to it in NRS 604A.083.*

Sec. 23. 1. *“Outstanding money transmission obligation” means:*

(a) Any payment instrument or stored value issued or sold by a licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee or escheated in accordance with applicable abandoned property laws; or

(b) Any money or credits received for transmission by a licensee or an authorized delegate in the United States from a person located in the United States that has not yet been received by the payee or refunded to the sender or escheated in accordance with the applicable abandoned property laws.

2. For the purposes of this section, a person is located in the United States if the person is located in any state, territory or possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico or a United States military installation that is located in a foreign county.

Sec. 24. *“Passive investor” means a person that:*

1. Does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees or other persons exercising managerial authority of a person in control of a licensee;

2. Is not employed by and does not have any managerial duties of a licensee or person in control of a licensee;

3. Does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee; and

4. Does either of the following:

(a) Attests to the characteristics set forth in subsections 1, 2 and 3 in a form prescribed by the Commissioner; or

(b) Commits to the characteristics set forth in subsections 1, 2 and 3 in a written document.

Sec. 25. 1. *“Payment instrument” means a written or electronic check, draft, money order, traveler’s check or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable.*

2. The term does not include stored value or any instrument that is:

(a) Redeemable by the issuer only for goods or services provided by the issuer or its affiliate or a franchisee of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(b) Not sold to the public but issued and distributed as part of a loyalty, rewards or promotional program.

Sec. 26. *“Payroll processing services” means receiving money or credits for transmission pursuant to a contract with a person to:*

1. Deliver wages or salaries;

2. Make payment of payroll taxes to a state or federal agency;

3. Make payments relating to an employee benefit plan; or

4. Make distributions of other authorized deductions from wages or salaries.

Sec. 27. *“Person” means any natural person, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation or other corporate entity identified by the Commissioner.*

Sec. 28. *“Privately insured depository financial institution” means a credit union, thrift company or industrial loan company organized and regulated under the laws of this State, when such a credit union or thrift company has deposits which are insured by a private insurer approved by the Commissioner and the Commissioner of Insurance.*

Sec. 29. *“Receiving money or credits for transmission” means the act of receiving money, credits or monetary value in the United States for transmission within or outside the United States by electronic or other means.*

Sec. 30. 1. *“Stored value” means monetary value representing a claim against the issuer evidenced by an electronic or digital record, and that is intended and accepted for use as a means of redemption for money or monetary value or payment for goods or services.*

2. The term includes, without limitation, “prepaid access,” as defined in 31 C.F.R. § 1010.100, as amended.

3. The term does not include a payment instrument, closed loop stored value or monetary value described in subsection 1 that is not sold to the public but issued and distributed as part of a loyalty, rewards or promotional program.

Sec. 31. "Tangible net worth" means the aggregate assets of a licensee excluding all intangible assets, less liabilities, as determined in accordance with generally accepted accounting principles in the United States.

Sec. 32. "USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56.

Sec. 33. For the purposes of this chapter, a transaction involving money transmission takes place in this State if:

1. For a transaction requested in person, the transaction is requested by a person at a physical location in this State.

2. For a transaction requested electronically or by telephone, the provider of money transmission determines that the person requesting the transaction is located in this State based on the information available to the provider. Such information may include, without limitation:

(a) Information provided by the person regarding the residential address of the person, if the person is a natural person, or the address of the principal place of business or other physical address of the person, if the person is a business entity; and

(b) Any other information contained in the records of the provider of money transmission which indicate the location of the person, including, without limitation, an address associated with an account.

Sec. 34. The Commissioner may, by regulation or order, exempt a person who is not specified in NRS 671.020 from the provisions of this chapter if the Commissioner determines that the exemption is in the public interest and the regulation of the person is not necessary for the purposes of this chapter.

Sec. 35. The Commissioner may require any person claiming to be exempt from the provisions of this chapter pursuant to NRS 671.020 to provide to the Commissioner information and documentation demonstrating that the person qualifies for any claimed exemption.

Sec. 36. 1. To carry out the purposes of this chapter, the Commissioner may:

(a) Enter into agreements or relationships with other governmental officials, federal and state regulatory agencies and regulatory associations in order to improve efficiencies and reduce regulatory burden by standardizing methods or procedures and sharing resources, records or related information obtained under this chapter;

(b) Use, hire, contract or employ analytical systems, methods or software to examine or investigate any person subject to this chapter;

(c) Accept from other state or federal governmental agencies or officials licensing, examination or investigation reports made by such agencies or officials; and

(d) Accept audit reports made by an independent certified public accountant or other qualified third-party auditor for an applicant for a license or licensee and incorporate the audit report into any report of examination or investigation.

2. The Commissioner shall administer, interpret and enforce the provisions of this chapter and may adopt such regulations as the Commissioner deems appropriate for those purposes.

Sec. 37. 1. Except as otherwise provided in NRS 239.0115 and this section, the following information and documents are confidential, are not subject to any subpoena and must not be made public:

(a) Any information or reports obtained by the Commissioner from an applicant, licensee or authorized delegate;

(b) Any information contained in or related to an operating report or condition report prepared by, on behalf of or for the use of the Commissioner; and

(c) Any financial statement or balance sheet of a licensee or authorized delegate.

2. The Commissioner may disclose the information described in subsection 1 and NRS 671.170:

(a) To a representative of a state or federal agency who promises in a record to maintain the confidentiality of the information; and

(b) To any person if the Commissioner finds that justice and the public advantage will be served by the disclosure of the information.

3. The provisions of this section do not prohibit the Commissioner from disclosing to the public a list of each licensee.

4. The Commissioner may make available to the public on the Internet website of the Division of Financial Institutions, upon receipt by the Division of Financial Institutions of a written request or in the Registry, any information in the records of the Division of Financial Institutions that is not confidential, including, without limitation:

(a) The name, business address, telephone number and unique identifier of a licensee;

(b) The business address of the registered agent of a licensee who has been designated to receive service on behalf of the licensee;

(c) The name, business address and telephone number of all authorized delegates of a licensee;

(d) The terms of or a copy of any surety bond filed by a licensee, so long as any confidential information, including, without limitation, prices and fees for such bond, is redacted;

(e) A copy of any final order of the Division of Financial Institutions which is not confidential and related to any violation of this chapter or a regulation adopted pursuant thereto; and

(f) The imposition of an administrative fine or penalty pursuant to this chapter.

5. As used in this section, "unique identifier" has the meaning ascribed to it in NRS 671.099.

Sec. 38. 1. *A licensee shall not engage in any business of money transmission through an authorized delegate or allow a person to act as an authorized delegate unless the licensee has:*

(a) Adopted, and updated as necessary, written policies and procedures reasonably designed to ensure that authorized delegates of the licensee comply with applicable state and federal laws;

(b) Entered into a written contract with the authorized delegate that complies with subsection 3; and

(c) Conducted a reasonable risk-based background investigation sufficient for the licensee to determine whether the authorized delegate has complied with and likely will comply with applicable state and federal laws.

2. An authorized delegate shall operate in compliance with the provisions of this chapter.

3. A written contract required pursuant to subsection 1 must be signed by the licensee and the authorized delegate and must:

(a) Appoint the person proposed to be an authorized delegate who is signing the contract as the authorized delegate of the licensee with the authority to conduct money transmission on behalf of the licensee;

(b) Set forth the nature and scope of the relationship between the licensee and the authorized delegate and the respective rights and responsibilities of the parties;

(c) Require the authorized delegate to agree to comply fully with all applicable state and federal laws, rules and regulations pertaining to money transmission, including, without limitation, the provisions of this chapter, the regulations adopted pursuant thereto and the relevant provisions of the Bank Secrecy Act and the USA Patriot Act;

(d) Require the authorized delegate to remit and handle money, credits and monetary value in accordance with the terms of the contract between the licensee and the authorized delegate;

(e) Impose a trust on money, credits and monetary value received for money transmission, net of fees, for the benefit of the licensee;

(f) Require the authorized delegate to prepare and maintain records as required by this chapter and the regulations adopted pursuant thereto, or as reasonably requested by the Commissioner;

(g) Acknowledge that the authorized delegate consents to examination or investigation by the Commissioner;

(h) State that the licensee is subject to regulation by the Commissioner and that, as part of that regulation, the Commissioner may suspend or revoke the designation of an authorized delegate or require the licensee to terminate the designation of an authorized delegate; and

(i) Acknowledge receipt of the written policies and procedures required by subsection 1.

4. If the license of a licensee is suspended, revoked, surrendered or expired, the licensee must, within 5 business days after the date on which such action occurred, provide documentation to the Commissioner that the licensee has notified all applicable authorized delegates of the licensee whose names are in a record filed with the Commissioner of the suspension, revocation, surrender or expiration of the license.

Upon suspension, revocation, surrender or expiration of a license, applicable authorized delegates shall immediately cease to provide money transmission as an authorized delegate of the licensee.

5. An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of fees received from money transmission. If any authorized delegate commingles any money or credits received from money transmission with any other money or property owned or controlled by the authorized delegate,

all commingled money and other property shall be considered held in trust in favor of the licensee in an amount equal to the amount of money net of fees received from money transmission.

6. An authorized delegate may not use a subdelegate to conduct money transmission on behalf of a licensee.

7. As used in this section, "remit" means to make direct payments of money, credits or monetary value to a licensee or its representative authorized to receive money or to deposit money in an account specified by the licensee in a bank or credit union authorized to do business in this State.

Sec. 39. *A person shall not engage in the business of money transmission on behalf of a person not licensed under this chapter or who is not exempt from licensure under this chapter. A person that engages in such activity provides money transmission to the same extent as if the person were a licensee and is jointly and severally liable with the unlicensed or nonexempt person.*

Sec. 40. 1. *If, in any action brought by a licensee against an authorized delegate, the court finds that the authorized delegate failed to remit money in accordance with the written contract with the licensee required by section 38 of this act or as otherwise directed by the licensee or required by law, the court may grant appropriate equitable or legal relief, including, without limitation, prohibiting the authorized delegate from directly or indirectly acting as an authorized delegate for any licensee in this State and the payment of restitution, damages or other monetary relief.*

2. If a court issues an order prohibiting a person from acting as an authorized delegate for any licensee pursuant to subsection 1, the licensee that brought the action shall report the order to:

(a) The Commissioner within 30 days after entry of the order; and

(b) The Registry within 90 days after entry of the order.

3. An authorized delegate who holds money in trust for the benefit of a licensee and knowingly fails to remit money is guilty of a misdemeanor.

4. As used in this section, "remit" means to make direct payments of money, credits or monetary value to a licensee or its representative authorized to receive money or to deposit money in an account specified by the licensee in a bank or credit union authorized to do business in this State.

Sec. 41. 1. *A licensee shall forward all money or credits received for transmission in accordance with the terms of the agreement between the licensee and the sender unless the licensee has a reasonable belief or a reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law, rule or regulation has occurred, is occurring or may occur.*

2. If a licensee fails to forward money or credits received for transmission in accordance with this section, the licensee must respond to inquiries by the sender with the reason for the failure unless providing a response would violate a state or federal law, rule or regulation.

Sec. 42. 1. *Except as otherwise provided in this section, a licensee shall, within 10 days after the date on which the licensee receives a written request from a sender for a refund of money and credits received, issue such a refund to the sender unless any of the following occurs:*

(a) The money or credits have been forwarded within 10 days after the date on which the money or credit was received for transmission.

(b) Instructions have been given committing an equivalent amount of money or credit to the person designated by the sender within 10 days of the date on which the money or credit was received for transmission.

(c) The agreement between the licensee and the sender instructs the licensee to forward the money or credits at a time that is beyond 10 days after the date on which the money or credits were received for transmission. If money or credits have not yet been forwarded in accordance with the terms of the agreement between the licensee and the sender, this paragraph does not apply.

(d) The refund is requested for a transaction that the licensee has not completed based on a reasonable belief or a reasonable basis to believe that a crime or violation of law, rule or regulation has occurred, is occurring or may occur.

(e) The request for a refund does not enable the licensee to:

(1) Identify the name, address or telephone number of the sender; or

(2) If the sender has multiple transactions pending with the licensee, identify the particular transaction to be refunded.

2. The provisions of this section do not apply to:

(a) Money or credits received for transmission which are subject to the provisions of 12 C.F.R. Part 1005, Subpart B, as amended.

(b) Money or credits received for transmission pursuant to a written agreement between a licensee and payee to process payments for goods or services provided by the payee.

Sec. 43. 1. *Except as otherwise provided in this section, a licensee or authorized delegate shall provide to a sender a receipt for all money or credit received for transmission. For a transaction conducted in person, the receipt may be provided electronically if the sender requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by telephone, a receipt may be provided electronically. If a licensee provides an electronic receipt, the electronic receipt must be provided in a retainable form.*

2. A receipt required by this section must:

(a) Be in English and, if different, the language principally used by the licensee or authorized delegate to advertise, solicit or negotiate, either orally or in writing, for a transaction conducted in person, electronically or by phone; and

(b) Contain the following information, as applicable:

(1) The name of the sender;

(2) The name of the designated recipient;

(3) The date of the transaction;

(4) The unique transaction or identification number;

(5) The name, unique identifier, business address and customer service telephone number of the licensee;

(6) The amount of the transaction in United States dollars;

(7) Any fee charged by the licensee to the sender for the transaction; and

(8) Any taxes collected by the licensee from the sender for the transaction.

3. Each licensee and authorized delegate shall include on a receipt required by this section or on the Internet website or mobile application of the licensee or authorized delegate:

(a) The name and phone number of the Division of Financial Institutions; and

(b) A statement that the customers of the licensee may contact the Division of Financial Institutions with questions or complaints regarding the money transmission services of the licensee.

4. The provisions of this section do not apply to:

(a) Money or credit received for transmission which is subject to the provisions of 12 C.F.R. Part 1005, Subpart B, as amended;

(b) Money or credit received for transmission that is not primarily for personal, family or household purposes;

(c) Money or credit received for transmission pursuant to a written agreement between the licensee and payee to process payments for goods or service provided to the payee; or

(d) Payroll processing services.

5. As used in this section:

(a) "Receipt" means a paper receipt, electronic record or other written confirmation.

(b) "Unique identifier" has the meaning ascribed to it in NRS 671.099.

Sec. 44. 1. *Except as otherwise provided in subsection 2, a licensee that provides payroll processing services shall:*

(a) Issue to a client a report detailing the payroll obligations for the client before the money or monetary value for payroll is deducted from an account; and

(b) Make available to each worker a paystub or an equivalent statement.

2. The provisions of subsection 1 do not apply to a licensee providing payroll processing services if the client of the licensee designates the intended recipients to the licensee and is responsible for providing the disclosures required by paragraph (b) of subsection 1.

Sec. 45. 1. *A licensee shall maintain at all times permissible investments that have a market value computed in accordance with generally accepted accounting principles in the United States of not less than the aggregate amount of all of the outstanding money transmission obligations of the licensee.*

2. Except for the permissible investments specified in subsection 1 of section 46 of this act, the Commissioner, with respect to any licensee, may limit the extent to which a specific investment maintained by a licensee within a class of permissible investments may be considered a permissible investment if the specific investment represents an undue risk to customers not reflected in the market value of investments.

3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the outstanding money transmission obligations of the licensee if any of the following occurs:

(a) Insolvency;

(b) The filing of a petition by or against the licensee pursuant to the provisions of United States Bankruptcy Code for bankruptcy or reorganization;

(c) The filing of a petition by or against the licensee for receivership;

(d) The commencement of any other judicial or administrative proceeding for the dissolution or reorganization of the licensee; or

(e) An action against the licensee by a creditor who is not a beneficiary of this statutory trust.

4. A permissible investment impressed with a trust pursuant to subsection 3 is not subject to attachment, levy of execution or sequestration by order of any court, except for a beneficiary of the statutory trust.

5. Upon the establishment of a statutory trust pursuant to subsection 3 or when any money is drawn on a letter of credit pursuant to section 47 of this act, the Commissioner shall notify the applicable regulator of each other state in which the licensee is licensed to engage in money transmission, if any, of the establishment of the trust or the money drawn on the letter of credit. The notice shall be deemed satisfied if performed pursuant to a multistate agreement or through the Registry.

6. Money drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers or holders of the outstanding money transmission obligations of the licensee pursuant to subsection 3, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in accordance with statutes pursuant to which permissible investments are required to be held in this State and other states, as applicable. Any statutory trust established pursuant to subsection 3 is terminated upon extinguishment of all of the outstanding money transmission obligations of the licensee.

7. The Commissioner may allow types of investments other than the types specified in section 46 of this act that the Commissioner determines are of sufficient liquidity and quality to be a permissible investment. The Commissioner may participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

Sec. 46. 1. *The following are permissible investments for the purposes of section 45 of this act:*

(a) Cash, including demand deposits, savings deposits and money in accounts held for the benefit of the customers of the licensee in a federally insured depository financial institution or privately insured depository financial institution;

(b) Cash equivalents, including, without limitation, automated clearinghouse items in transit to the licensee and automated clearinghouse items or international wires in transit to a payee, cash in transit by means of an armored car, cash in smart safes, cash in locations owned by the licensee, transmission receivables which are funded by a debit card or credit card and owed by any bank or money market mutual funds rated "AAA" by Standard

and Poor's Credit Rating Services or the equivalent from any eligible rating service;

(c) Certificates of deposit or senior debt obligation of an insured depository institution, as defined in 12 U.S.C. § 1813, as amended, insured credit union, as defined in 12 U.S.C. § 1752, as amended, or privately insured financial depository institution;

(d) An obligation of the United States or a commission, agency or instrumentality thereof;

- (e) An obligation that is guaranteed fully as to principal and interest by the United States;*
 - (f) An obligation of a state or a governmental subdivision, agency or instrumentality thereof;*
 - (g) The full drawable amount of an irrevocable standby letter of credit for which the stated beneficiary is the Division of Financial Institutions and which:*
 - (1) Stipulates that the beneficiary need only draw a sight draft under the letter of credit and present it to obtain money up to the letter of credit amount within 7 days of presentation of the items required by section 47 of this act; and*
 - (2) Satisfies the requirements set forth in section 47 of this act; and*
 - (h) One hundred percent of the surety bond or deposit provided pursuant to NRS 671.100 and 671.110 that exceeds the average daily money transmission liability in this State.*
- 2. Except as otherwise provided in subsection 3, the following investments are permissible investments subject to the limitations set forth in this subsection:*
- (a) Receivables that are payable to a licensee from the authorized delegates of the licensee in the ordinary course of business that are less than 7 days old, except that:*
 - (1) The total value of all such receivables may not exceed 50 percent of the aggregate value of the total permissible investments of the licensee; and*
 - (2) The value of such receivables that are payable to a licensee from a single authorized delegate may not exceed 10 percent of the aggregate value of the total permissible investments of a licensee;*
 - (b) Any of the following investments:*
 - (1) A short-term investment of 6 months or less bearing an eligible rating;*
 - (2) Commercial paper bearing an eligible rating;*
 - (3) A bill, note, bond or debenture bearing an eligible rating;*
 - (4) United States tri-party repurchase agreements collateralized at 100 percent or more with securities of the United States or an agency of the United States, municipal bonds or other securities bearing an eligible rating;*
 - (5) Money market mutual funds rated "A-" or higher but less than "AAA" by Standard and Poor's Credit Rating Services or the equivalent from any other eligible rating service; and*
 - (6) A mutual fund or other investment fund composed solely and exclusively of one or more investments specified in paragraphs (a) to (f), inclusive, of subsection 1,*
 - except that the value of any single investment specified in subparagraphs (1) to (6), inclusive, may not exceed 20 percent of the aggregate value of the total permissible investments of the licensee and the total value of all such investments may not exceed 50 percent of the total permissible investments of the licensee; and*
 - (c) Cash, including, without limitation, demand deposits, savings deposits and funds in such accounts held for the benefit of the customers of the licensee, at a foreign depository institution if the licensee has received a satisfactory rating on the most recent examination conducted on the licensee and the foreign depository institution:*
 - (1) Has an eligible rating;*
 - (2) Has registered with the Internal Revenue Service and obtained a global intermediary identification number in accordance with 26 C.F.R. §§ 1.1471-0 et seq.;*
 - (3) Is not located in any country subject to sanctions from the Office of Foreign Asset Control of the United States Department of the Treasury; and*
 - (4) Is not located in a jurisdiction that is listed on the list of high-risk jurisdictions subject to a call for action or jurisdictions under increased monitoring maintained by the Financial Action Task Force,*
 - except that the total amount of such cash may not exceed 10 percent of the aggregate value of the total permissible investments of the licensee.*
- 3. The Commissioner may allow any investment specified in subsection 2 to exceed the limits prescribed in that subsection.*
- Sec. 47. 1. A letter of credit described in paragraph (g) of subsection 1 of section 46 of this act must:**

(a) Be issued by a federally insured depository financial institution, privately insured depository institution, a foreign bank that is authorized by federal law to maintain a federal agency or federal branch office in a state or a foreign bank that is authorized under the laws of a state to maintain a branch office in a state that:

(1) Bears an eligible rating or whose parent company bears an eligible rating; and

(2) Is regulated, supervised and examined by federal or state authorities having regulatory authority over banks and credit unions;

(b) Be irrevocable, unconditional and indicate that it is not subject to any condition or qualification outside of the letter of credit;

(c) Not contain any reference to any other agreement, document or entity, or otherwise provide for any security interest in the licensee;

(d) Contain an issue date and expiration date, and expressly provide for automatic extension, without a written amendment, for an additional period of 1 year after the present or future expiration date, unless the issuer of the letter of credit notifies the Commissioner in writing by certified or registered mail, courier mail or other receipted means, at least 60 days before any expiration date that the irrevocable letter of credit will not be extended; and

(e) Provide that the issuer of the letter of credit will honor, at sight, a presentation made by the beneficiary to the issuer of the following documents on or before the expiration date of the letter of credit:

(1) The original letter of credit, including any amendments; and

(2) A written statement from the beneficiary stating that any of the following events has occurred:

(I) The filing of a petition by or against the licensee pursuant to the United States Bankruptcy Code for bankruptcy or reorganization;

(II) The filing of a petition by or against the licensee for receivership or the commencement of any other judicial or administrative proceeding for the dissolution or reorganization of the licensee;

(III) The Commissioner has taken possession of the business and property of a licensee pursuant to an order pursuant to NRS 671.160 on the basis of an action, violation or condition that has caused or is likely to cause the insolvency of the licensee; or

(IV) The beneficiary has received notice of expiration or non-extension of a letter of credit and the licensee failed to

demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible investments pursuant to subsection 2.

2. If the licensee notifies the Commissioner of the expiration or nonextension of a letter of credit pursuant to paragraph (d) of subsection 1, the licensee, at least 15 days before the expiration of the letter of credit, must demonstrate to the satisfaction of the Commissioner that the licensee maintains and will continue to maintain permissible investments as required by section 45 of this act. If the licensee fails to make such a demonstration, the Commissioner may draw on the letter of credit in an amount up to the amount necessary to meet the requirement that the licensee maintain permissible investments pursuant to section 45 of this act. The draw must be offset against the outstanding money transmission obligations of the licensee. The drawn money must be held in trust by the Commissioner or the designated agent of the Commissioner, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the outstanding money transmission obligations of the licensee.

3. The Commissioner may designate an agent to serve on behalf of the Commissioner as beneficiary to a letter of credit so long as the agent and letter of credit meet any requirements established by the Commissioner. The agent may serve as agent for multiple licensing authorities for a single irrevocable letter of credit if the proceeds of the drawable amount for the purposes of this section are assigned to the Commissioner.

4. The Commissioner may participate in multistate processes designed to facilitate the issuance and administration of letters of credit, including, without limitation, services provided by the Registry and the State Regulatory Registry, LLC.

Sec. 48. 1. *If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a license pursuant to this chapter, the Commissioner may suspend or revoke the license of the licensee.*

2. An applicant for a license must demonstrate that the applicant meets or will meet the requirements set forth in NRS 671.100 or 671.110, as applicable, and sections 45 and 49 of this act.

Sec. 49. *A licensee shall maintain at all times a tangible net worth of the greater of:*

1. One hundred thousand dollars; or

2. Three percent of total assets for the first \$100,000,000 in assets, 2 percent of additional assets that exceed \$100,000,000 but

do not exceed \$1 billion and 0.5 percent of additional assets that exceed \$1 billion.

Sec. 50. 1. *Except as otherwise provided in section 52 of this act, a person or group of persons acting in concert seeking to acquire control of a licensee shall obtain the approval of the Commissioner before acquiring control of the licensee. A natural person is not deemed to acquire control of a licensee and is not subject to the provisions of this section when the natural person becomes a key individual in the ordinary course of business.*

2. A person or group of persons acting in concert seeking to acquire control of a licensee shall, in cooperation with the licensee, submit to the Commissioner an application in a form prescribed by the Commissioner.

3. The Commissioner may require the application submitted pursuant to subsection 2 to be submitted through the Registry or allow some or all of the information contained in the application to be submitted to the Commissioner without using the Registry.

4. The application required by subsection 2 must include the information required by NRS 671.098 for any new key individual that has not previously completed the requirements for a licensee.

5. When an applicant for acquisition of control of a licensee has submitted the application required pursuant to subsection 2 which appears to include all the items and address all of the matters that are required by the application, the application shall be considered complete. A determination by the Commissioner that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required and is not an assessment of the substance of the application or of the sufficiency of the information provided.

6. When an application is filed and considered complete pursuant to this section, the Commissioner shall investigate the financial condition and responsibility, financial and business experience, competence, character and general fitness of the person or group of persons acting in concert seeking to acquire control of the licensee. The Commissioner shall approve an application for the acquisition of control pursuant to this section if the Commissioner finds that:

(a) The requirements of subsections 2 and 4 have been met, as applicable; and

(b) The financial condition and responsibility, financial and business experience, competence, character and general fitness of the person or group of persons acting in concert seeking to acquire control of a licensee and the competence, experience, character and general fitness of the key individuals and persons that would be in control of the licensee after the acquisition of control indicate that it is in the interest of the public to permit the person or group of persons acting in concert to control the licensee.

7. If an applicant for approval to acquire control of a licensee pursuant to this section avails himself, herself or itself or is otherwise subject to a multistate licensing process:

(a) The Commissioner may accept the investigation results of a state which is a lead investigative state in the multistate licensing process for the purposes of this section if the Commissioner determines that the state has sufficient staffing, expertise and minimum standards; and

(b) If this State is a lead investigative state in the multistate licensing process, the Commissioner may investigate the applicant under the time frames established by agreement through the multistate licensing process.

8. If the Commissioner denies an application for approval to acquire control of a licensee submitted pursuant to subsection 2, the Commissioner shall issue to the applicant a formal written notice of the denial not more than 30 days after the date on which the Commissioner has made the decision to deny the application. The notice must set forth the specific reasons for the denial of the application. An applicant whose application for approval to acquire control of a licensee is denied may, not more than

30 days after the date on which the notice was issued, appeal the decision and request a hearing pursuant to NRS 233B.121 to 233B.150, inclusive.

9. Except as otherwise provided in subsection 10, the requirements of this section do not apply to any of the following:

- (a) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders or holders of voting shares of voting interests of a licensee or a person in control of a licensee;*
- (b) A person that acquires control of a licensee by devise or descent;*
- (c) A person that acquires control of a licensee as a personal representative, custodian, guardian, conservator or trustee or as an officer appointed by a court of competent jurisdiction or by operation of law;*
- (d) A person that is exempt under this chapter;*
- (e) A person that the Commissioner determines is not subject to this section based on the public interest;*
- (f) A public offering of securities of a licensee or a person in control of a licensee;*
- (g) An internal reorganization of a person in control of the licensee where the ultimate person in control of the licensee remains the same; or*
- (h) A person described in section 52 of this act.*

10. Persons described in paragraphs (b), (c), (d), (f) and (g) of subsection 9, in cooperation with the licensee, shall notify the Commissioner within 15 days after the date on which the person acquires control of the licensee.

11. For the purposes of this section, a group of persons “act in concert” when two or more persons knowingly act together with a common goal of jointly acquiring control of a licensee, regardless of whether the persons act pursuant to an express agreement.

Sec. 51. 1. *Before filing an application for approval to acquire control of a licensee pursuant to section 50 of this act, a person may request in writing a determination from the Commissioner as to whether the person would be considered a person in control of a licensee upon consummation of a proposed transaction. If the Commissioner determines that the person would not be a person in control of a licensee, the proposed person and transaction is not subject to the requirements of section 50 of this act.*

2. *If a multistate licensing process includes a determination pursuant to this section and the person requesting such a determination avails himself, herself or itself or is otherwise subject to a multistate licensing process:*

- (a) The Commissioner may accept the control determination of a state which is a lead investigative state in the multistate licensing process if the Commissioner determines that the state has sufficient staffing, expertise and minimum standards for the purposes of this section; and*
- (b) If this State is a lead investigative state in the multistate licensing process, the Commissioner may investigate the person in the time frames established by agreement through the multistate licensing process.*

Sec. 52. *The requirements of section 50 of this act do not apply to a person who has previously complied with and received approval to engage in money transmission pursuant to this chapter or was identified as a person in control of a licensee in a prior application filed with and approved by the Commissioner or by a money services business accredited state pursuant to a multistate licensing process, so long as:*

- 1. The person has not had a license revoked or suspended or controlled a licensee that has had a license revoked or suspended while the person was in control of the licensee in the 5 years immediately preceding the date on which the person intends to complete the acquisition of control of a licensee;*
- 2. If the person is a licensee, the person is well managed and has received at least a satisfactory rating for compliance in the most recent examination of the licensee conducted by a money services business accredited state, if such rating was given;*
- 3. The licensee to be acquired is projected to meet the requirements of this chapter after the acquisition of control is completed, and if the person acquiring control is a licensee, that licensee is also projected to meet the requirements of NRS 671.100 or 671.110, as applicable, and sections 45 and 49 of this act after the acquisition of control is completed;*

4. *The licensee to be acquired will not implement any material changes to its business plan as a result of the acquisition of control, and if the person acquiring control is a licensee, that licensee also will not implement any material changes to its business plan as a result of the acquisition of control; and*
5. *The person provides notice of the acquisition in cooperation with the licensee and attests to the circumstances set forth in subsections 1 to 4, inclusive, in a form prescribed by the Commissioner.*

Sec. 53. 1. *If a licensee adds or replaces any key individual, the licensee shall provide to the Commissioner:*

(a) Notice in a manner prescribed by the Commissioner within 15 days after the effective date of the addition or replacement of the key individual; and

(b) The information required by NRS 671.098 within 45 days after the effective date of the addition or replacement of the key individual.

2. *Within 90 days after the date on which the licensee has provided the notice and information required by subsection 1, the Commissioner may issue a notice of disapproval of a key individual if the Commissioner determines that, based on the competence, experience, character or integrity of the person, it would not be in the best interest of the public or of the customers of the licensee to allow the person to be a key individual of the licensee.*

3. *A notice of disapproval issued pursuant to subsection 2 must contain a statement of the basis for the disapproval and must be sent to the licensee and the person who has been disapproved as a key individual. A licensee who receives a notice of disapproval may appeal and request a hearing pursuant to NRS 233B.121 to 233B.150, inclusive.*

4. *If a multistate licensing process includes a review and disapproval process for key individuals pursuant to this section and the licensee requesting such a determination avails himself, herself or itself or is otherwise subject to a multistate licensing process:*

(a) The Commissioner may accept the determination of another state if the Commissioner determines that the state has sufficient staffing, expertise and minimum standards for the purposes of this section; and

(b) If this State is a lead investigative state in the multistate licensing process, the Commissioner may investigate the applicant in the time frames established by agreement through the multistate licensing process.

Sec. 54. 1. *The Commissioner may participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors, the Money Transmitter Regulators Association and the affiliates and successors thereof for all licensees that hold licenses in this State and in other states. As a participant in such a process, the Commissioner may:*

(a) Cooperate, coordinate and share information with other state and federal regulators in accordance with the provisions of this chapter;

(b) Enter into written cooperation, coordination or information-sharing contracts or agreements with organizations whose membership consists of state or federal governmental agencies; and

(c) Cooperate, coordinate and share information with organizations whose membership is made up of state or federal governmental agencies if any such organization agrees to maintain the confidentiality and security of the shared information pursuant to section 37 of this act.

2. *The Commissioner may not waive, and nothing in the provisions of this section constitutes a waiver of, the authority of the Commissioner to conduct an examination or investigation or otherwise take action authorized by the provisions of this chapter*

or the regulations adopted pursuant thereto to enforce compliance with applicable state or federal laws.

3. *A joint examination or investigation or acceptance of an examination or investigation report does not waive the fee set forth in NRS 671.120.*

Sec. 55. 1. *If state money transmission jurisdiction is conditioned on a federal law, any inconsistencies between a provision of this chapter and the federal law governing money transmission is governed by the applicable federal law to the extent of the inconsistency.*

2. *If there is an inconsistency between this chapter and a federal law that governs pursuant to subsection 1, the Commissioner may provide interpretive guidance that:*

(a) Identifies the inconsistency; and

(b) Identifies the appropriate means of compliance with federal law.

Sec. 56. 1. *A licensee shall, within 90 days after the end of each fiscal year or within such extended period as approved by the Commissioner, file with the Commissioner:*

- (a) An audited financial statement of the licensee for the fiscal year prepared in accordance with generally accepted accounting principles in the United States; and*
- (b) Any other information the Commissioner may reasonably require.*

2. *The audited financial statement filed pursuant to subsection 1 must:*

- (a) Be prepared by an independent certified public accountant or independent public account who is satisfactory to the Commissioner.*
- (b) Include or be accompanied by a certificate of opinion of the independent certified public accountant or independent public accountant, as applicable, that is satisfactory in form and content to the Commissioner. If such a certificate or opinion is qualified, the Commissioner may order the licensee to take any action the Commissioner deems necessary to enable the independent certified public accountant or independent public accountant to remove the qualification.*

Sec. 57. *A licensee and an authorized delegate shall file all reports required by reporting requirements relating to federal currency reporting, recordkeeping and suspicious activity reporting as set forth in the Bank Secrecy Act and other federal and state laws pertaining to money laundering. A licensee and an authorized delegate who timely files with the appropriate federal agency a report required pursuant to this section that is complete and accurate shall be deemed to comply with the requirements of this section.*

Sec. 58. 1. *A licensee shall maintain the following records for at least 5 years:*

- (a) A record of each outstanding money transmission obligation sold;*
- (b) A general ledger posted at least monthly that contains all asset, liability, capital, income and expense accounts;*
- (c) Bank statements and bank reconciliation records;*
- (d) A record of each outstanding money transmission obligation;*
- (e) A record of each outstanding money transmission obligation paid during the 5-year period;*
- (f) A list of the last known name and address of each of the authorized delegates of the licensee; and*
- (g) Any other records the Commissioner reasonably requires by regulation.*

2. *A licensee may maintain the records required to be maintained by subsection 1:*

- (a) In any form; and*
 - (b) Outside of this State, so long as any such record is made available to the Commissioner with 5 business days' notice that is sent in a record.*
- 3.** *The records required to be maintained pursuant to subsection 1 are open to inspection by the Commissioner pursuant to NRS 671.120.*

Sec. 59. 1. *A licensee shall file a report with the Commissioner within 1 business day after the licensee has reason to know of the occurrence of any of the following events:*

- (a) The filing of a petition by or against the licensee for bankruptcy or reorganization pursuant to the United States Bankruptcy Code;*
- (b) The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for the dissolution or reorganization of the licensee or the making of a general assignment for the benefit of the creditors of the licensee; or*
- (c) The commencement of a proceeding to revoke or suspend the license of the licensee in a state or country in which the licensee engages in business or is licensed.*

2. *A licensee shall file a report with the Commissioner within 3 business days after the licensee has reason to know of the occurrence of any of the following events:*

- (a) A charge or conviction of the licensee or of a key individual or person in control of the licensee for a felony; or*
- (b) A charge or conviction of an authorized delegate for a felony.*

Sec. 60. 1. *Except as otherwise provided by regulation of the Commissioner, a licensee shall submit to the Commissioner a report of condition within 45 days after the end of the calendar quarter, or within any extended period that the Commissioner may prescribe. The report of condition must include, without limitation:*

- (a) Financial information concerning the licensee;*

- (b) Nationwide and state-specific money transmission transaction information in every jurisdiction in the United States where the licensee is licensed to engage in money transmission;*
- (c) A report concerning the permissible investments of the licensee;*
- (d) A report identifying each foreign country to which the licensee transmitted money or credits and the amount of money or credits transmitted, if applicable; and*
- (e) Any other information the Commissioner may reasonably require.*

2. The Commissioner may use the Registry for the submission of the report required by subsection 1. The Commissioner may, by regulation, waive, modify or alter the requirements of subsection 1 to carry out the purposes of this chapter and maintain consistency with reporting requirements of the Registry.

Sec. 61. 1. *Each licensee shall submit to the Commissioner a report concerning each authorized delegate of the licensee within 45 days after the end of the calendar quarter. The report must include, without limitation, the following information for each authorized delegate:*

- (a) The legal name of the company;*
- (b) Taxpayer employer identification number;*
- (c) Principal provider identifier;*
- (d) Physical address;*
- (e) Mailing address;*
- (f) Any business conducted in other states;*
- (g) Any fictitious or trade name;*
- (h) The name, phone number and electronic mail address for the contact person of the authorized delegate;*
- (i) The date upon which the authorized delegate was designated as an authorized delegate of the licensee;*
- (j) The date upon which the authorized delegate ceased being an authorized delegate for the licensee, if applicable;*
- (k) Any court order concerning the licensee pursuant to section 40 of this act; and*
- (l) Any other information the Commissioner may reasonably require with respect to the authorized delegate.*

2. The Commissioner may use the Registry for the submission of the report required by this section provided that such functionality is consistent with the requirements of this section.

Sec. 62. 1. *The Commissioner may issue an order suspending or revoking the designation of an authorized delegate if the Commissioner finds that:*

- (a) The authorized delegate committed a violation of any provision of this chapter or any regulation adopted or order issued by the Commissioner pursuant to this chapter;*
- (b) The authorized delegate did not cooperate with an examination or investigation by the Commissioner;*
- (c) The authorized delegate has engaged in fraud, intentional misrepresentation or gross negligence;*
- (d) The authorized delegate has been convicted of a violation of a state or federal anti-money laundering statute;*
- (e) The competence, experience, character or general fitness of the authorized delegate or a person in control of the authorized delegate indicates that it is not in the public interest to permit the authorized delegate to provide money transmission; or*
- (f) The authorized delegate has engaged in an unsafe or unsound practice.*

2. In determining whether an authorized delegate has engaged in an unsafe or unsound practice pursuant to paragraph (f) of subsection 1, the Commissioner may consider the size and condition of the provision of money transmission by the authorized delegate, the magnitude of the loss, the gravity of the violation of any provision of this chapter or any regulation adopted or order issued by the Commissioner pursuant to this chapter and the previous conduct of the licensee.

3. An authorized delegate may apply for relief from a suspension or revocation of designation as an authorized delegate according to procedures prescribed by the Commissioner.

Sec. 63. 1. *The Commissioner may issue an order requiring a licensee or authorized delegate to cease and desist from a violation of any provision of this chapter or any regulations adopted pursuant thereto or order issued by the Commissioner pursuant thereto if the Commissioner determines that the violation is likely to cause:*

- (a) Immediate and irreparable harm to the licensee, the customers of the licensee or the public; or*

(b) Insolvency or significant dissipation of the assets of the licensee.

2. If the Commissioner issues an order against an authorized delegate pursuant to subsection 1, the Commissioner may also issue a separate order against a licensee to cease and desist from providing money transmission through the authorized delegate.

3. Except as otherwise provided in this subsection, an order issued pursuant to this section becomes effective upon service of the order and remains effective until it is set aside, in whole or in part, by the Commissioner or a reviewing court. The licensee or authorized delegate against whom a cease and desist order is issued may request a hearing on the cease and desist order pursuant to NRS 233B.121 to 233B.150, inclusive.

4. A licensee or authorized delegate against whom a cease and desist order is issued pursuant to this section may file with the Commissioner a petition requesting that the cease and desist order be set aside, limited or suspended pending the completion of the proceedings conducted pursuant to subsection 3.

Sec. 64. *In any matter arising from a violation or alleged violation of the provisions of this chapter or a regulation adopted or order issued by the Commissioner pursuant thereto by a person, the Commissioner may enter into a consent order with the person to resolve the matter. Such a consent order:*

1. Must be signed by the person or the authorized representative of the person and must indicate that the person agrees to the terms contained in the consent order; and

2. May provide that the consent order does not constitute an admission by the person that a violation of the provisions of this chapter or the regulations adopted or an order issued by the Commissioner pursuant thereto has occurred.

Sec. 65. *In applying and construing the provisions of this chapter, consideration must be given to the need to promote uniformity of the law with respect to money transmission among states that enact laws concerning money transmission that are substantively similar to this chapter.*

Sec. 66. NRS 671.020 is hereby amended to read as follows:

671.020 [1. This] *Except as otherwise provided in section 50 of this act, this chapter does not apply to any:*
[(a) Bank, its parent or]

1. Federally insured depository financial institution, privately insured depository financial institution, bank holding company or any subsidiary thereof, [trust company, savings bank, savings and loan association, credit union, industrial bank or industrial loan and investment company, organized and regulated] office of an international banking corporation, foreign bank that establishes a federal branch pursuant to 12 U.S.C. § 3102, as amended, corporation organization pursuant to the 12 U.S.C. §§ 1861 to 1867, inclusive, as amended, or corporation organized pursuant to 12 U.S.C. §§ 611 to 633, inclusive, as amended, under the laws of [this] a state or of the United States . [;

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

(c) Telegraph company providing a public message service.]

2. [Subsection 1 does not reduce or alter any liability otherwise attaching to the sale, issuance, receipt for transmission or transmission of checks or money in any form.] Operator of a payment system to the extent that it provides processing, clearing or settlement services between or among persons exempted pursuant to this section or licensees in connection with wire transfers, credit card transactions, debit card transactions, stored value transactions, automated clearinghouse transfers or similar transfers of money.

3. Person appointed as an agent of a payee to collect and process a payment from a payor to the payee for goods or services, other than money transmission, provided to the payor by the payee, so long as:

(a) A written agreement exists between the payee and the agent directing the agent to collect and process payments from payors on behalf of the payee;

(b) The payee holds the agent out to the public as accepting payments for goods or services on behalf of the payee; and

(c) Payment for the goods and services is treated as received by the payee upon receipt by the agent so that the obligation of the payor is extinguished and there is no risk of loss to the payor if the agent fails to remit the money to the payee.

4. Person that acts as an intermediary by processing payments between an entity that has directly incurred an outstanding money transmission obligation to a sender and the designated recipient of the sender, so long as the entity:

(a) Is a licensee or exempt from licensure pursuant to this chapter;

(b) Provides a receipt, electronic record or other written confirmation to the sender identifying the entity as the provider of money transmission in the transaction; and

(c) Bears sole responsibility to satisfy the outstanding money transmission obligation to the sender, including, without limitation, the obligation to make the sender whole in connection with any failure to transmit the money to the designated recipient of the sender.

5. Department, agency, instrumentality or agent of the United States.

6. State, county, city or any other governmental agency, subdivision, instrumentality or agent of a state.

7. Money transmission by the United States Postal Service or by an agent of the United States Postal Service.

8. Trust company that is licensed or otherwise authorized to engage in the business of a trust company in this State pursuant to chapter 669 of NRS.

9. Electronic money transfer of governmental benefits for a federal, state, county or governmental agency by a contractor on behalf of the United States or a department, agency or instrumentality thereof or on behalf of a state or governmental subdivision, agency or instrumentality thereof.

10. Board of trade designated as a contract market under the Commodity Exchange Act, 7 U.S.C. §§ 1 et seq., as amended, or a person that, in the ordinary course of business, provides clearance and settlement services for a board of trade to the extent of its operation as or for the board of trade.

11. Registered futures commission merchant under the federal commodities laws to the extent of its operation as such a merchant.

12. Person registered as a securities broker-dealer under federal or state securities laws to the extent of the operations of the person as such a securities broker-dealer.

13. Natural person employed by a licensee, authorized delegate or any person exempt from licensure pursuant to this section when acting within the scope of employment and under the supervision of the licensee, authorized delegate or exempt person as an employee and not as an independent contractor.

14. Person expressly appointed as a third-party service provider to or agent of an entity exempt pursuant to subsection 1 to the extent that:

(a) The third-party service provider or agent is engaging in money transmission on behalf of and pursuant to a written

agreement with the exempt entity that sets forth the specific functions that the third-party service provider or agent is to perform; and

(b) The exempt entity assumes all risk of loss and legal responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders of the outstanding money transmission obligations upon receipt by the third-party service provider of the money or monetary value of the purchaser or holder.

15. Employer who performs payroll services on his or her own behalf or on behalf of an affiliate of an employer.

16. Professional employer organization, as defined in NRS 611.400, who performs payroll services.

17. Person exempt by regulation or order of the Commissioner pursuant to section 34 of this act.

Sec. 67. NRS 671.040 is hereby amended to read as follows:

671.040 1. A person shall not engage in the business of **[selling or issuing checks or of receiving for] money** transmission or **[transmitting money or credits unless the person is licensed pursuant to this chapter.]** **advertise, solicit or hold himself, herself or itself out as providing money transmission unless the person:**

(a) Has been issued a license pursuant to this chapter; or

(b) Is an authorized delegate of a licensee that is acting within the scope of authority conferred by a written contract with the licensee.

2. A person **[shall not engage in such business as an agent except as an agent of a licensee or a payee.]** **must have a license or be an authorized delegate described in paragraph (b) of subsection 1 regardless of the location or method that the person uses to engage in the business of money transmission, including, without limitation, at a kiosk, through the Internet, through any telephone, facsimile machine or other telecommunication device or through any other machine, network, system, device or means.**

Sec. 68. NRS 671.050 is hereby amended to read as follows:

671.050 1. Every application for a license required pursuant to this chapter must be in writing, signed by the applicant, and in the form **and medium** prescribed by the Commissioner.

2. The application must contain:

- (a) *[The name and principal business address] A list of any criminal convictions of the applicant [and, if incorporated, the date and place of its incorporation;] and any material litigation in which the applicant has been involved in the 10 years immediately preceding the date on which the application is submitted;*
- (b) *[The name and address of each of the applicant's branch offices, subsidiaries or affiliates, if any, which will be operated under the license;] A description of any money transmission previously provided by the applicant and the money transmission that the applicant seeks to provide in this State;*
- (c) *[The name and addresses, business and residential, of the proprietor or partners of the applicant or, if the applicant is a corporation or association, of each of the directors, trustees and principal officers, and of any stockholder who owns 20 percent or more of] A list of the applicant's [stock; and] proposed authorized delegates and the locations in this State where the applicant and authorized delegates propose to engage in money transmission;*
- (d) *A list of other states in which the applicant is licensed to engage in money transmission and any suspension or revocation of such a license or other disciplinary action taken against the applicant in another state;*
- (e) *Information concerning any proceeding involving bankruptcy or receivership affecting the applicant or a person in control of the applicant;*
- (f) *A sample form of contract for authorized delegates, if applicable;*
- (g) *A sample form of payment instrument or stored value, as applicable;*
- (h) *The name and address of any federally insured depository financial institution or privately insured depository financial institution through which the applicant plans to conduct money transmission; and*
- (i) *Such other pertinent information as the Commissioner or the Registry requires.*

3. *[The] If the applicant is a business entity, the application must also contain:*

- (a) *The date on which the applicant was incorporated or formed and the state or country in which the applicant was incorporated or formed;*
- (b) *A certificate of good standing from the state or country in which the applicant was incorporated or formed, if applicable;*
- (c) *A brief description of the structure or organization of the applicant, including, without limitation, information concerning any parents or subsidiaries of the applicant and whether any parent or subsidiary is publically traded;*
- (d) *The legal name, any fictitious or trade name, each business and residential address and the employment history, as applicable, in the 10 years immediately preceding the submission of the application of each key individual and person in control of the applicant;*
- (e) *A list of any criminal convictions and material litigation in which a person in control of the applicant that is not a natural person has been involved in the 10 years immediately preceding the submission of the application;*
- (f) *A copy of audited financial statements of the applicant for the most recent fiscal year and for the 2 years immediately preceding the submission of the application;*
- (g) *A certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;*
- (h) *If the applicant is a publicly traded corporation, a copy of the most recent report filed with the United States Securities and Exchange Commission pursuant to 15 U.S.C. § 78m, as amended;*
- (i) *If the applicant is a wholly owned subsidiary of:*
 - (1) *A corporation publicly traded in the United States, a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of the most recent report filed by the parent corporation pursuant to 15 U.S.C. § 78m, as amended; or*
 - (2) *A corporation publicly traded outside the United States, a copy of documentation similar to that described in subparagraph (1) filed with the regulator of the domicile of the parent corporation outside the United States;*
- (j) *The name and address of the registered agent of the applicant in this State; and*
- (k) *Such other pertinent information as the Commissioner or Registry requires.*

4. *In addition to the application required by subsection 2, the applicant must [be accompanied by:] also provide to the Commissioner:*

- (a) *A surety bond or securities as required by this chapter.*

(b) **[A certified] An audited** financial statement, satisfactory to the Commissioner, showing that the applicant's **tangible** net worth **[exceeds \$100,000, unless the applicant's surety bond or the securities deposited pursuant to NRS 671.110 are in at least twice the minimum principal sum required by NRS 671.100.] meets the requirements set forth in section 49 of this act.**

(c) A nonrefundable fee of not more than \$500 for the application and survey. The applicant shall also pay such additional expenses incurred in the process of investigation as the Commissioner deems necessary.

(d) A fee of not less than \$200 or more than \$400, prorated on the basis of the licensing year as provided by the Commissioner.

[4.] 5. The Commissioner shall adopt regulations establishing **[the] :**

(a) The form and medium of any additional content required to be included in an application for a license. The regulations may require such an application to be in such form and medium and contain such additional content that the Commissioner determines to be necessary to carry out the purposes of this chapter and maintain consistency with the licensing standards and practices of the Registry.

(b) The amount of the fees required pursuant to this section. All money received by the Commissioner pursuant to this section must be placed in the Investigative Account created by NRS 232.545.

[5.] 6. The Commissioner shall consider an application to be withdrawn if the Commissioner has not received all information and fees required to complete the application within 6 months after the date the application is first submitted to the Commissioner or within such later period as the Commissioner determines in accordance with any existing policies of joint regulatory partners. If an application is deemed to be withdrawn pursuant to this subsection or if an applicant otherwise withdraws an application, the Commissioner may not issue a license to the applicant unless the applicant submits a new application and pays any required fees.

Sec. 69. NRS 671.060 is hereby amended to read as follows:

671.060 1. **[Upon the filing of] When an applicant for a license has submitted** the application **[, payment of the] required pursuant to NRS 671.050 which appears to include all the items and address all of the matters that are required by that section, submitted the information required pursuant to NRS 671.098 and paid all applicable** fees and **[approval of] the Commissioner has approved the** surety bond or securities **[,] of the applicant, the application shall be considered complete.**

2. A determination by the Commissioner that an application is complete pursuant to subsection 1 and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required and is not an assessment of the substance of the application or the sufficiency of the information.

3. When an application is filed and considered complete pursuant to this section, the Commissioner shall investigate the financial condition and responsibility, the financial and business experience, and the character and general fitness of the applicant and may investigate any partners, directors, trustees, **[or] principal officers, proposed key individuals or persons in control** of the applicant.

[2. If]

4. In investigating an applicant pursuant to subsection 3, the Commissioner **[determines that the business of the applicant will be conducted lawfully, honestly, fairly and efficiently, the] may conduct an on-site investigation of the applicant, the actual cost of which the applicant must pay.**

5. The Commissioner shall issue a license to the applicant to engage in the business of **[selling and issuing checks, receiving for] money** transmission **[or transmitting money or credits, or both.] if the Commissioner finds that:**

(a) The applicant has complied with all applicable requirements set forth in this chapter for the issuance of a license; and

(b) The financial condition and responsibility, financial and business experience, competence, character and general fitness of the applicant and the competence, experience, character and general fitness of the key individuals and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in money transmission.

6. If the Commissioner denies an application for a license, the Commissioner shall issue to the applicant a formal written notice of the denial setting forth the specific reasons for the denial. An applicant whose

application for a license is denied may appeal and request a hearing pursuant to NRS 233B.121 to 233B.150, inclusive.

Sec. 70. NRS 671.070 is hereby amended to read as follows:

671.070 1. **[A]** *Except as otherwise provided in this subsection, a license issued pursuant to this chapter expires on December 31 of each year, unless it is earlier surrendered, suspended or revoked. A license which is initially issued on or after November 1 and on or before December 31 of a year expires on December 31 of the year following the year in which the license was issued, unless it is earlier surrendered, suspended or revoked.*

2. The license may be renewed from year to year upon the approval of the Commissioner if the licensee, on or after November 1 and on or before December 31 of each year, files an application **[conforming]** *which:*
(a) Conforms to the requirements for an initial application [.] ; and
(b) Contains a description of each material change in the information submitted to the Commissioner by the licensee in the initial application which has not yet been reported to the Commissioner.

3. An application for the renewal of the license must be accompanied by a fee of not more than \$400. No investigation fee may be charged for the renewal of the license. If the application or fee for renewal is not filed within the required time, the Commissioner may reinstate the expired license if the licensee files the application, the fee for renewal and a fee of not more than \$400 for late renewal, if applicable, on or before February 28 of the year following the expiration of the license.

4. The Commissioner shall adopt regulations establishing the amount of the fees required pursuant to this section. All fees collected pursuant to this section must be deposited in the State Treasury pursuant to the provisions of NRS 658.091.

Sec. 71. NRS 671.080 is hereby amended to read as follows:

671.080 1. A license issued under this chapter is not transferable or assignable.

2. The license entitles the holder to engage in business only at the location or locations specified in the application or at a location or locations operated by **[a duly appointed agent]** *an authorized delegate* of the licensee.

3. A change must not be made in:

(a) The location of any place of business covered by the license;

(b) The name of the licensed business; or

(c) The licensee's operation or services if the nature of the change affects the qualification for the license, without prior notice to and approval of the Commissioner.

Sec. 72. NRS 671.092 is hereby amended to read as follows:

671.092 1. **[The]** *To establish consistent licensing between this State and other states, the Commissioner may [.] :*

(a) Implement the provisions of this chapter in a manner that is consistent with other states that have adopted laws that are substantively similar to the provisions of this chapter or multistate licensing processes; and

(b) Participate in nationwide protocols for licensing cooperation and coordination among state regulators if the protocols are consistent with the provisions of this chapter.

2. *The Commissioner may,* in furtherance of his or her duties with respect to the issuance and renewal of licenses pursuant to this chapter, participate in the Nationwide Multistate Licensing System and Registry. The Commissioner may take any action with respect to participation in the Registry that the Commissioner deems necessary to carry out his or her duties, including, without limitation:

(a) Facilitating and participating in the establishment and implementation of the Registry;

(b) Establishing relationships or contracts with the Registry or other entities designated by the Registry;

(c) Authorizing the Registry to collect and maintain records of applicants for licenses and licensees;

(d) Taking any action the Commissioner deems necessary to coordinate multistate licensing processes and supervision processes through the Registry;

(e) Authorizing the Registry to, on behalf of the Commissioner, collect and process any fees associated with licensure, examinations, fines, assessments and any other similar fees;

[(e)] (f) Taking any action the Commissioner deems necessary to facilitate communication between this State and licensees or other persons subject to the provisions of this chapter;

(g) Requiring an applicant for a license or a licensee to use the Registry to:

- (1) Apply for the issuance or renewal of a license;***
- (2) Amend or surrender a license;***
- (3) Submit any reports or the results of any examination that the Commissioner may require;***
- (4) Pay any applicable fees; and***
- (5) Engage in any other activity that the Commissioner may require; [and***

(f)] (h) Requiring an applicant for the acquisition of control of a licensee to use the Registry to submit the application required by section 50 of this act;

(i) Authorizing the Registry to, on behalf of the Commissioner, collect fingerprints in order to receive or conduct a background check on the criminal history of an applicant for a license or a licensee [.

2.]; and

(j) Require the use of the Registry for any other aspect of licensing that the Commissioner deems necessary.

3. The Commissioner may use the forms, processes and functionalities of the Registry to implement the requirements of this chapter. If the Registry does not provide functionality, forms or processes necessary to implement a requirement set forth in this chapter, the Commissioner may strive to implement the requirement in a manner that facilitates uniformity with respect to

licensing, supervision, reporting and regulation of licensees which are licensed in multiple jurisdictions.

4. An applicant for a license, an applicant for the acquisition of a licensee or a licensee shall, in addition to any other fees associated with the license, pay all applicable charges to use the Registry, including, without limitation, any processing charges established by the administrator of the Registry.

[3.] 5. The Commissioner may adopt any regulations the Commissioner determines to be necessary or appropriate to carry out the provisions of this section. Such regulations may, without limitation, establish any additional procedures and requirements for participation in the Registry [.

4.] that the Commissioner determines are consistent with law, public interest and the purposes of this section.

6. The provisions of this section shall not be construed to replace or affect the authority of the Commissioner to grant, deny, suspend, terminate, revoke or refuse to renew a license.

Sec. 73. NRS 671.098 is hereby amended to read as follows:

671.098 1. In addition to any other requirements set forth in this chapter, each ***natural person who is an applicant for the issuance of a license pursuant to [this chapter and] NRS 671.050, each natural person in control of such an applicant, each owner, officer, director and [responsible person] proposed key individual of the applicant, each natural person [in] who seeks to acquire control of [the applicant] a licensee pursuant to section 50 of this act, each person who becomes a key individual of a licensee*** and any other person the Commissioner may require in accordance with guidelines of the Registry or other multistate agreements shall submit to ***the Commissioner through*** the Registry:

(a) [A] Except as otherwise provided in subsection 5, a complete set of fingerprints for submission to the Federal Bureau of Investigation and any other governmental agency or entity authorized to receive such information for a state, national and international background check on the criminal history of the person;

(b) [Information] Except as otherwise provided in subsection 6, information concerning the personal history, financial history and experience of the person in a form prescribed by the Registry, including, without limitation, an authorization of the person for the Registry and the Commissioner to obtain:

(1) An independent credit report and credit score from a consumer reporting agency described in section 603(f) of the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f), for the purpose of evaluating the financial responsibility of the person at the time of the submission of the application; and

(2) Additional independent credit reports and credit scores to confirm that the person continues to comply with any applicable requirements concerning financial responsibility;

(c) Information related to any regulatory or administrative [civil or criminal findings made by any governmental jurisdiction concerning the person;] action and any civil litigation involving claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty or breach of contract;

(d) Information related to any criminal convictions or pending charges against the person; and

(e) Any other information concerning the person that the Registry or Commissioner may require.

2. [As used in this section:

(a) "Control" has the meaning ascribed to it in NRS 682A.047.

(b) "Responsible person" means a person who is employed by an applicant and who has principal, active managerial authority over the provision of services in this State.] *In addition to the requirements set forth in subsection 1, if a natural person described in subsection 1 has resided outside of the United States at any time in the 10 years immediately preceding the date on which the applicable application or notice is submitted to the Commissioner pursuant to NRS 671.050 or section 50 or 53 of this act, the natural person must also submit to the Commissioner, through the Registry, an investigative background report prepared by an independent search firm.*

3. *The search firm described in subsection 2 must, at a minimum:*

(a) *Demonstrate to the satisfaction of the Commissioner that it has sufficient knowledge and resources and employs accepted and reasonable methodologies to conduct the research of the investigative background report; and*

(b) *Not be affiliated with or have an interest with the natural person it is researching.*

4. *The investigative background report described in subsection 2 must, at a minimum, be written in English and contain the following information:*

(a) *If available in the jurisdiction in which the natural person resides, a comprehensive credit report or any equivalent information obtained or generated by the independent search firm to accomplish the investigative background report, including, without limitation, a search of the court data in each country, province, state, city, town and contiguous area where the natural person resided and worked;*

(b) *Criminal records information for the immediately preceding 10 years, including, without limitation, information regarding any felony, misdemeanor or similar conviction for a violation of law in each country, province, state, city, town and contiguous area where the natural person resided and worked;*

(c) *Employment history;*

(d) *Media history, including, without limitation, an electronic search of national and local publications, wire services and business applications; and*

(e) *Regulatory history relating to financial services, including, without limitation, money transmission, securities, banking, insurance and mortgage related industries.*

5. *The requirements of paragraph (a) of subsection 1 do not apply to a natural person who, at the time the applicable application or notice has been submitted pursuant to NRS 671.050 or section 50 or 53 of this act, resides outside of the United States and has resided outside of the United States for the 10 years immediately preceding the date on which the application or notice was submitted.*

6. *A natural person who does not have a social security number is not required to provide to the Commissioner information to obtain an independent credit report from a consumer reporting agency.*

Sec. 74. NRS 671.100 is hereby amended to read as follows:

671.100 1. Except as provided in NRS 671.110, each licensee shall have in force a surety bond payable to the State of Nevada for the use and benefit of any *purchaser or* holder of any outstanding [check sold or issued by a licensee in the normal course of business] *money transmission obligation* and for value in the [following minimum] principal [sums:

(a) For the first location granted in the license, \$10,000; and

(b) For each additional location in this State where its business is conducted directly or through an agent, \$5,000.

· The] *sum of the greater of:*

(a) *One hundred thousand dollars; or*

(b) *An amount equal to 100 percent of the average daily money transmission liability in this State calculated for the most recently completed quarter, to a maximum [amount] of [any surety bond required under this subsection is \$250,000.] \$500,000.*

2. *A licensee may maintain a bond in a principal sum that exceeds \$500,000. A licensee that maintains a bond in a principal sum of \$500,000 or more is not required to calculate the average daily money transmission liability in this State for the purposes of subsection 1.*

3. The bond must be in a form satisfactory to the Commissioner, issued by a bonding company authorized to do business in this State, and must secure the faithful performance of the obligations of the licensee respecting the [sale or issuance of checks and receipt for] *provision of money* transmission . [or transmission of money or credits.

3.] 4. A licensee shall, within 10 days after the commencement of any action or notice of entry of any judgment against the licensee by any creditor or claimant arising out of business regulated by this chapter, give notice thereof to the Commissioner by registered or certified mail with details sufficient to identify the action or judgment. The surety shall, within 10 days after it pays any claim or judgment to a creditor or claimant, give notice thereof to the Commissioner by registered or certified mail with details sufficient to identify the creditor or claimant and the claim or judgment so paid.

[4.] 5. Whenever the principal sum of the bond is reduced by recoveries or payments thereon, the licensee shall furnish:

(a) A new or additional bond so that the total or aggregate principal sum of the bonds equals the sum required under subsection 1; or

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

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

[6.] 7. The liability of the surety continues as to all transactions entered into in good faith by the creditors and claimants with the licensee's [agents] *authorized delegates* within 30 days after:

(a) The licensee's death or the dissolution or liquidation of the licensee's business; or

(b) The termination of the bond,

· whichever event occurs first.

[7.] 8. Whenever the Commissioner determines that the protection of the public so requires, the Commissioner may order that an increase be made in the principal sum of the bond of any licensee, except that the Commissioner may not order an increase of more than \$10,000 if the licensee has submitted a current financial statement, or more than \$15,000 otherwise.

[8.] 9. Neither a licensee nor the licensee's surety may cancel or alter a bond except after notice to the Commissioner by registered or certified mail. The cancellation or alteration is not effective until 10 days after receipt of the notice by the Commissioner. A cancellation or alteration does not affect any liability incurred or accrued on the bond before the expiration of the 30-day period designated in subsection [6.] 7.

Sec. 75. NRS 671.120 is hereby amended to read as follows:

671.120 1. [Except as otherwise provided in subsection 4, once each year the] *The* Commissioner shall , *as often as the Commissioner determines to be necessary*, examine the financial accounts of each licensee and any other documents relevant to the conduct of the licensee's business [,] and [the Commissioner] may conduct *other* examinations [at additional times.] *of a licensee or authorized delegate that the Commissioner determines to be necessary. The Commissioner may take any action authorized by the provisions of this chapter or the regulations adopted pursuant thereto as reasonably necessary or appropriate to administer and enforce the provisions of this chapter, the regulations adopted pursuant thereto and other applicable law, including, without limitation, the Bank Secrecy Act and the USA Patriot Act.*

2. For the purpose of [the examinations,] *an examination conducted pursuant to subsection 1*, the Commissioner may [enter] :

(a) *Enter* upon any of the business premises of a licensee or the licensee's [agents] *authorized delegates* and obtain access to the relevant documents. [Any obstruction or denial of such an entry or access is a violation of this chapter.]

(b) *Conduct such an examination on-site or off-site as the Commissioner may reasonably require.*

(c) *Conduct such an examination in conjunction with an examination conducted by a representative of another agency of this State, an agency of another state or an agency of the federal government.*

(d) Accept the examination report of another agency of this State, an agency of another state or an agency of the federal government. Upon acceptance by the Commissioner, such an examination report shall be considered an official report of the Commissioner.

(e) Summon and examine under oath a key individual or employee of a licensee or authorized delegate and require the key individual or employee to produce records regarding any matter related to the condition and business of the licensee or authorized delegate.

3. The Commissioner is entitled to full access to all records the Commissioner reasonably requires to conduct a complete examination. A licensee or authorized delegate shall provide all such records at the location and in the format specified by the Commissioner. Any person who obstructs or denies the Commissioner entry onto the business premises of a licensee or authorized delegate or access to the relevant documents of a licensee or authorized delegate commits a violation of this chapter.

4. The Commissioner may use multistate record production standards and examination procedures if the Commissioner determines that such standards will reasonably achieve the requirements of this section.

5. For each examination of a licensee or an authorized delegate of the licensee, the Commissioner shall charge and collect from the licensee a fee for conducting the examination and in preparing and typing the report at the rate established and, if applicable, adjusted pursuant to NRS 658.101.

[4. The Commissioner may accept a report of an audit of the licensee which covers the most recent fiscal year in lieu of conducting an examination.]

Sec. 76 and 77. (Deleted by amendment.)

Sec. 78. NRS 671.170 is hereby amended to read as follows:

671.170 1. The Commissioner may conduct any necessary investigations and hearings to determine whether any licensee, *authorized delegate* or other person has violated any of the provisions of this chapter or whether any licensee has conducted himself or herself in a manner which requires the suspension, revocation or denial of renewal of his or her license.

2. In conducting any investigation or hearing pursuant to this chapter, the Commissioner, or any person designated by the Commissioner, may require the attendance and testimony of any person and compel the production of all relevant books, records, accounts and other documents. The Commissioner shall charge and collect from each licensee or other person a fee at the rate established and, if applicable, adjusted pursuant to NRS 658.101 for the cost of any supervision, audit, examination, investigation or hearing conducted pursuant to this chapter or any regulations adopted pursuant thereto.

3. *[Each licensee shall submit to the Registry, on or before April 15 of each year, an annual report of condition on a form prescribed by the Commissioner.]* The Commissioner may require any licensee to submit such reports concerning the licensee's business as the Commissioner deems necessary for the enforcement of this chapter.

4. Except as otherwise provided in NRS 239.0115, *and section 37 of this act*, all reports of investigations and examinations and other reports rendered pursuant to this section, *[and]* all correspondence and memoranda relating to or arising therefrom, including any authenticated copies thereof in the possession of any licensee or the Commissioner, *and all other information related to an examination or investigation* are confidential communications, are not subject to any subpoena, and must not be made public unless the Commissioner determines that justice and the public advantage will be served by their publication. This subsection does not preclude any party to an administrative or judicial proceeding from introducing into evidence any information or document otherwise available or admissible.

Sec. 79. NRS 671.180 is hereby amended to read as follows:

671.180 1. If the Commissioner has reason to believe that grounds exist for the suspension, revocation or denial of renewal of a license, the Commissioner shall give 10 days' written notice to the licensee, stating the grounds therefor, and shall set a date for a hearing, if a hearing is requested by the licensee. If the protection of the public so requires, the Commissioner may suspend the license at any time before the hearing.

2. At the conclusion of the hearing, the Commissioner shall enter a written order either dismissing the charges or suspending, revoking or denying the renewal of the license. The order must include a statement of the grounds for the action taken by the Commissioner and becomes effective 10 days after receipt of a copy of the order by the licensee at the licensee's principal place of business. The Commissioner may

immediately suspend, revoke or deny the renewal of the license in a case where the licensee has failed to maintain in effect the required surety bond or insurance policy.

3. The grounds for suspension, revocation or denial of renewal of a license are **[:] that:**

- (a) **[Failure]** *The licensee has failed* to pay the annual fee for renewal or the fee for late renewal;
- (b) **[Failure]** *The licensee has failed* to maintain in effect the required bond or securities;
- (c) **[Fraud,]** *The licensee has committed an act of fraud*, misrepresentation or **[omission of]** *gross negligence or has omitted* any material fact in any application, statement or report;
- (d) **[Failure]** *The licensee has failed* to pay any judgment arising from the licensee's business within 30 days after the judgment becomes final or within 30 days after the expiration of a stay of execution on the judgment; **[or]**
- (e) **[Violation]** *The licensee has failed to cooperate with an examination or investigation by the Commissioner;*
- (f) *The competence, experience, character or general fitness of the licensee, an authorized delegate of the licensee, a responsible person of such an authorized delegate, a person in control of the licensee or a key individual of the licensee indicates that it is not in the public interest to allow the licensee to provide money transmission;*
- (g) *The licensee has engaged in an unsafe or unsound practice;*
- (h) *The licensee is insolvent, suspends payment of its obligations or makes a general assignment for the benefit of its creditors;*
- (i) *The licensee has not removed an authorized delegate of the licensee after the Commissioner issued and served on the licensee a final order that includes a finding that the authorized delegate has committed a violation* of any provision of this chapter or any regulation adopted or order issued by the Commissioner pursuant to this chapter **[.]**;
- (j) *An authorized delegate of the licensee, as a result of the willful misconduct or willful blindness of the licensee, has been convicted of a violation of a state or federal anti-money laundering statute or has committed a violation of any provision of this chapter or any regulation adopted or order issued by the Commissioner pursuant to this chapter; or*
- (k) *The licensee has committed a violation of any provision of this chapter or any regulation adopted or order issued by the Commissioner pursuant to this chapter.*

4. *In determining whether a licensee has engaged in an unsafe or unsound practice pursuant to paragraph (g) of subsection 3, the Commissioner may consider the size and condition of the money transmission of the licensee, the magnitude of the loss, the gravity of the violation of the provisions of this chapter or the regulations adopted or order issued by the Commissioner pursuant thereto and the previous conduct of the licensee.*

5. Any action taken by the Commissioner pursuant to this section is subject to judicial review in the first judicial district court.

Sec. 80. (Deleted by amendment.)

Sec. 81. NRS 671.190 is hereby amended to read as follows:

671.190 1. Any person who:

- (a) ***Without a license, knowingly engages in any activity for which a license is required pursuant to this chapter;***
- (b) *Violates any provision of this chapter, or any regulation adopted or order issued by the Commissioner pursuant to this chapter;*
- [(b)] (c)** *Knowingly makes any false or misleading statement of a material fact in any application, statement or report filed pursuant to this chapter;*
- [(c)] (d)** *Knowingly omits to state any material fact necessary to provide the Commissioner with information lawfully required by the Commissioner; or*
- [(d)] (e)** *Refuses to permit or obstructs any lawful investigation, examination, entry or access by the Commissioner,*

· *is guilty of a misdemeanor.*

2. Each day during which a violation continues constitutes a separate offense.

3. The imposition of any fine or term of imprisonment pursuant to subsection 1:

(a) Is in addition to any suspension, revocation or denial of renewal of a license which may result from the violation.

(b) Is not a bar to enforcement of this chapter by an injunction or other appropriate civil remedy.

Sec. 82. NRS 239.010 is hereby amended to read as follows:

239.010 1. Except as otherwise provided in this section and NRS 1.4683, 1.4687, 1A.110, 3.2203, 41.0397, 41.071, 49.095, 49.293, 62D.420, 62D.440, 62E.516, 62E.620, 62H.025, 62H.030, 62H.170, 62H.220, 62H.320, 75A.100, 75A.150, 76.160, 78.152, 80.113, 81.850, 82.183, 86.246, 86.54615, 87.515, 87.5413, 87A.200, 87A.580, 87A.640, 88.3355, 88.5927, 88.6067, 88A.345, 88A.7345, 89.045, 89.251, 90.730, 91.160, 116.757, 116A.270, 116B.880, 118B.026, 119.260, 119.265, 119.267, 119.280, 119A.280, 119A.653, 119A.677, 119B.370, 119B.382, 120A.640, 120A.690, 125.130, 125B.140, 126.141, 126.161, 126.163, 126.730, 127.007, 127.057, 127.130, 127.140, 127.2817, 128.090, 130.312, 130.712, 136.050, 159.044, 159A.044, 172.075, 172.245, 176.015, 176.0625, 176.09129, 176.156, 176A.630, 178.39801, 178.4715, 178.5691, 179.495, 179A.070, 179A.165, 179D.160, 200.3771, 200.3772, 200.5095, 200.604, 202.3662, 205.4651, 209.392, 209.3923, 209.3925, 209.419, 209.429, 209.521, 211A.140, 213.010, 213.040, 213.095, 213.131, 217.105, 217.110, 217.464, 217.475, 218A.350, 218E.625, 218F.150, 218G.130, 218G.240, 218G.350, 224.240, 226.300, 228.270, 228.450, 228.495, 228.570, 231.069, 231.1473, 232.1369, 233.190, 237.300, 239.0105, 239.0113, 239.014, 239B.026, 239B.030, 239B.040, 239B.050, 239C.140, 239C.210, 239C.230, 239C.250, 239C.270, 239C.420, 240.007, 241.020, 241.030, 241.039, 242.105, 244.264, 244.335, 247.540, 247.550, 247.560, 250.087, 250.130, 250.140, 250.150, 268.095, 268.0978, 268.490, 268.910, 269.174, 271A.105, 281.195, 281.805, 281A.350, 281A.680, 281A.685, 281A.750, 281A.755, 281A.780, 284.4068, 284.4086, 286.110, 286.118, 287.0438, 289.025, 289.080, 289.387, 289.830, 293.4855, 293.5002, 293.503, 293.504, 293.558, 293.5757, 293.870, 293.906, 293.908, 293.910, 293B.135, 293D.510, 331.110, 332.061, 332.351, 333.333, 333.335, 338.070, 338.1379, 338.1593, 338.1725, 338.1727, 348.420, 349.597, 349.775, 353.205, 353A.049, 353A.085, 353A.100, 353C.240, 360.240, 360.247, 360.255, 360.755, 361.044, 361.2242, 361.610, 365.138, 366.160, 368A.180, 370.257, 370.327, 372A.080, 378.290, 378.300, 379.0075, 379.008, 379.1495, 385A.830, 385B.100, 387.626, 387.631, 388.1455, 388.259, 388.501, 388.503, 388.513, 388.750, 388A.247, 388A.249, 391.033, 391.035, 391.0365, 391.120, 391.925, 392.029, 392.147, 392.264, 392.271, 392.315, 392.317, 392.325, 392.327, 392.335, 392.850, 393.045, 394.167, 394.16975, 394.1698, 394.447, 394.460, 394.465, 396.1415, 396.1425, 396.143, 396.159, 396.3295, 396.405, 396.525, 396.535, 396.9685, 398A.115, 408.3885, 408.3886, 408.3888, 408.5484, 412.153, 414.280, 416.070, 422.2749, 422.305, 422A.342, 422A.350, 425.400, 427A.1236, 427A.872, 432.028, 432.205, 432B.175, 432B.280, 432B.290, 432B.4018, 432B.407, 432B.430, 432B.560, 432B.5902, 432C.140, 432C.150, 433.534, 433A.360, 439.4941, 439.4988, 439.840, 439.914, 439A.116, 439A.124, 439B.420, 439B.754, 439B.760, 439B.845, 440.170, 441A.195, 441A.220, 441A.230, 442.330, 442.395, 442.735, 442.774, 445A.665, 445B.570, 445B.7773, 447.345, 449.209, 449.245, 449.4315, 449A.112, 450.140, 450B.188, 450B.805, 453.164, 453.720, 458.055, 458.280, 459.050, 459.3866, 459.555, 459.7056, 459.846, 463.120, 463.15993, 463.240, 463.3403, 463.3407, 463.790, 467.1005, 480.535, 480.545, 480.935, 480.940, 481.063, 481.091, 481.093, 482.170, 482.368, 482.5536, 483.340, 483.363, 483.575, 483.659, 483.800, 484A.469, 484B.830, 484B.833, 484E.070, 485.316, 501.344, 503.452, 522.040, 534A.031, 561.285, 571.160, 584.655, 587.877, 598.0964, 598.098, 598A.110, 598A.420, 599B.090, 603.070, 603A.210, 604A.303, 604A.710, 612.265, 616B.012, 616B.015, 616B.315, 616B.350, 618.341, 618.425, 622.238, 622.310, 623.131, 623A.137, 624.110, 624.265, 624.327, 625.425, 625A.185, 628.418, 628B.230, 628B.760, 629.047, 629.069, 630.133, 630.2671, 630.2672, 630.2673, 630.30665, 630.336, 630A.327, 630A.555, 631.332, 631.368, 632.121, 632.125, 632.3415, 632.3423, 632.405, 633.283, 633.301, 633.4715, 633.4716, 633.4717, 633.524, 634.055, 634.1303, 634.214, 634A.169, 634A.185, 635.111, 635.158, 636.262, 636.342, 637.085, 637.145, 637B.192, 637B.288, 638.087, 638.089, 639.183, 639.2485, 639.570, 640.075, 640.152, 640A.185, 640A.220, 640B.405, 640B.730, 640C.580, 640C.600, 640C.620, 640C.745, 640C.760, 640D.135, 640D.190, 640E.225, 640E.340, 641.090, 641.221, 641.2215, 641.325, 641A.191, 641A.217, 641A.262, 641B.170, 641B.281, 641B.282, 641C.455, 641C.760, 641D.260, 641D.320, 642.524, 643.189, 644A.870, 645.180, 645.625, 645A.050, 645A.082, 645B.060, 645B.092, 645C.220, 645C.225, 645D.130, 645D.135, 645G.510, 645H.320, 645H.330, 647.0945, 647.0947, 648.033, 648.197, 649.065, 649.067, 652.126, 652.228, 653.900, 654.110, 656.105, 657A.510, 661.115, 665.130, 665.133, 669.275, 669.285, 669A.310,

671.170, 673.450, 673.480, 675.380, 676A.340, 676A.370, 677.243, 678A.470, 678C.710, 678C.800, 679B.122, 679B.124, 679B.152, 679B.159, 679B.190, 679B.285, 679B.690, 680A.270, 681A.440, 681B.260, 681B.410, 681B.540, 683A.0873, 685A.077, 686A.289, 686B.170, 686C.306, 687A.060, 687A.115, 687B.404, 687C.010, 688C.230, 688C.480, 688C.490, 689A.696, 692A.117, 692C.190, 692C.3507, 692C.3536, 692C.3538, 692C.354, 692C.420, 693A.480, 693A.615, 696B.550, 696C.120, 703.196, 704B.325, 706.1725, 706A.230, 710.159, 711.600, *and section 37 of this act*, sections 35, 38 and 41 of chapter 478, Statutes of Nevada 2011 and section 2 of chapter 391, Statutes of Nevada 2013 and unless otherwise declared by law to be confidential, all public books and public records of a governmental entity must be open at all times during office hours to inspection by any person, and may be fully copied or an abstract or memorandum may be prepared from those public books and public records. Any such copies, abstracts or memoranda may be used to supply the general public with copies, abstracts or memoranda of the records or may be used in any other way to the advantage of the governmental entity or of the general public. This section does not supersede or in any manner affect the federal laws governing copyrights or enlarge, diminish or affect in any other manner the rights of a person in any written book or record which is copyrighted pursuant to federal law.

2. A governmental entity may not reject a book or record which is copyrighted solely because it is copyrighted.

3. A governmental entity that has legal custody or control of a public book or record shall not deny a request made pursuant to subsection 1 to inspect or copy or receive a copy of a public book or record on the basis that the requested public book or record contains information that is confidential if the governmental entity can redact, delete, conceal or separate, including, without limitation, electronically, the confidential information from the information included in the public book or record that is not otherwise confidential.

4. If requested, a governmental entity shall provide a copy of a public record in an electronic format by means of an electronic medium. Nothing in this subsection requires a governmental entity to provide a copy of a public record in an electronic format or by means of an electronic medium if:

(a) The public record:

(1) Was not created or prepared in an electronic format; and

(2) Is not available in an electronic format; or

(b) Providing the public record in an electronic format or by means of an electronic medium would:

(1) Give access to proprietary software; or

(2) Require the production of information that is confidential and that cannot be redacted, deleted, concealed or separated from information that is not otherwise confidential.

5. An officer, employee or agent of a governmental entity who has legal custody or control of a public record:

(a) Shall not refuse to provide a copy of that public record in the medium that is requested because the officer, employee or agent has already prepared or would prefer to provide the copy in a different medium.

(b) Except as otherwise provided in NRS 239.030, shall, upon request, prepare the copy of the public record and shall not require the person who has requested the copy to prepare the copy himself or herself.

Sec. 83. Notwithstanding the amendatory provisions of this act, a person who, on June 30, 2023, holds a valid license issued by the Commissioner of Financial Institutions pursuant to NRS 671.060 is not required to comply with the amendatory provisions of this act until January 1, 2024, and, until that date, may engage in the business of selling or issuing checks or of receiving for transmission money or credits in accordance with the provisions of chapter 671 of NRS, as those provisions existed before July 1, 2023.

Sec. 84. NRS 671.010, 671.055, 671.090, 671.140 and 671.150 are hereby repealed.

Sec. 85. This act becomes effective on July 1, 2023.