

STATE OF NEVADA



JOE LOMBARDO
Governor

DEPARTMENT OF BUSINESS AND INDUSTRY

TERRY REYNOLDS
Director

FINANCIAL INSTITUTIONS DIVISION

SANDY O'LAUGHLIN
Commissioner

DATE: April 27, 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 seeking your input. As required by Governor Lombardo's Executive Order (EO) 2023-003, the Division is undertaking a comprehensive review of the regulations subject to its enforcement. As required, the Division will be providing a report to the Governor's office "detailing how those regulations can be streamlined, clarified, or otherwise improved to ensure they provide for the general welfare of the State without unnecessarily inhibiting economic growth." The report will provide recommendations for amendments and a list of regulations recommended for removal, ranking them in descending order of priority.

Prior to submitting the report to the Governor's Office, EO 2023-003 requires the Division to hold a public hearing to vet the Division's recommended changes, solicit input as to the merits of the Division's recommended changes, and identify other regulatory changes stakeholders feel are worthy of consideration. EO 2023-003 also requires the Division to reflect stakeholder input in the summary of findings and recommendation included in the report. The public hearing is scheduled for Tuesday, May 16, 2023, at 9:30 a.m. via WebEx.

I encourage you to review regulations of interest on our website for this effort at <http://www.fid.nv.gov>. To help the Division understand input from stakeholders, we have set up an e-mail address at fidmaster@fid.state.nv.us where suggestions for revisions to regulations can be submitted. If you choose to provide input, please identify the regulation(s) for consideration, by NAC number if possible. The Division will review submitted suggestions and do our best to address them. We will reflect stakeholder input in the summary of findings and recommendations of the report if that input is **received no later than May 5, 2023**.

Enclosures:

Notice of Hearing and Agenda
Proposed Revisions/Deletions to the Regulation

NOTICE OF PUBLIC HEARING PURSUANT TO EXECUTIVE ORDER 2023-003
TO SOLICIT COMMENTS ON PROPOSED REVISIONS TO
NAC 628B, 662, 676A, 677, AND 678, AND AGENDA

The State of Nevada, Financial Institutions Division (Division), 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 is proposing revisions of regulations to Chapters 628B, 662, 676A, 677 and 678 of the Nevada Administrative Code (“NAC”). The proposed revisions/deletions are required pursuant to Governor Lombardo’s Executive Order 2023-003. This public hearing will be conducted subject to the Open Meeting Law (NRS 241.020) and the purpose is to solicit comments from interested persons on the proposed changes to be held through videoconference and teleconference:

Date: Tuesday, May 16, 2023

Time: 9:30 a.m.

When it’s time, join the Webex meeting by clicking on “Join meeting” link below:

[Join meeting](#)

Meeting number (access code): 2493 542 3628

Meeting password: 3CamSKfKe78

Or join by phone: 1-844-621-3956 United States Toll-Free

Additional options to join:

Join from the meeting link

<https://businessnv2.webex.com/businessnv2/j.php?MTID=md189aee7e7b58d8ad950affad1c88ec>

Join from a video system or application

Dial [24935423628@businessnv2.webex.com](tel:24935423628@businessnv2.webex.com)

You can also dial 173.243.2.68 and enter your meeting number.

COMMENTS AND WRITTEN SUBMISSIONS

Persons wishing to comment upon the proposed action of the Financial Institutions Division may appear at the scheduled public hearing or may address their comments, data, views, or arguments, in written form, to the Financial Institutions Division at fidmaster@fid.state.nv.us or at 3300 West Sahara Avenue, Suite 250, Las Vegas, Nevada, 89102. Written submissions must be received by the Division on or before **May 5, 2023**.

COPIES OF PROPOSED REVISIONS/DELETIONS TO THE REGULATION

A copy of this notice and the proposed changes will be available at the Division's website at www.fid.nv.gov and at the Division's offices at:

Southern Nevada
Financial Institutions Division
3300 West Sahara Avenue, Suite 250
Las Vegas, NV 89102

Northern Nevada
Financial Institutions Division
1755 East Plumb Lane, Suite 243
Reno, NV 89502

Below is an agenda of all items scheduled to be considered. Unless otherwise stated, items may be taken out of the order presented on the agenda at the discretion of the Commissioner. Items may also be combined for consideration or pulled or removed from the agenda at any time. 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. The Commissioner may only take action on those items denoted as potential action items.

AGENDA:

1. Open Hearing
2. Public Comment
3. Presentation of Proposed Revisions to the Regulation (attached hereto below)
FOR DISCUSSION AND POSSIBLE ACTION
4. Public Comment
5. Close Hearing

PROPOSED REVISIONS TO THE REGULATION:

See attached

This Notice was provided via U.S. Mail and electronic means to all persons on the Division's e-mail list for noticing of administrative regulations and of other agency actions. This *Notice of Public Hearing Pursuant to Executive Order 2023-003* was posted on the Division's website at <http://www.fid.nv.gov>, the official website of the State pursuant to NRS 232.2175 at notice.nv.gov, the Nevada Legislature's website at <http://www.leg.state.nv.us>, and at the following locations:

Nevada Financial Institutions Division
3300 W. Sahara Avenue, Suite 250
Las Vegas, Nevada 89102

Nevada State Business Center
3300 W. Sahara Avenue
Las Vegas, Nevada 89102

Nevada Financial Institutions Division
1755 East Plumb Lane, Suite 243
Reno, Nevada 89502

Attn: Public Posting
Nevada Dept. of Business & Industry
1830 College Parkway, Suite 100
Carson City, Nevada 89706

Attn: Public Posting
Legislative Building
401 South Carson Street
Carson City, Nevada 89701

Attn: Public Posting
Grant Sawyer Building
555 E. Washington Avenue
Las Vegas, Nevada 89101

Attn: Public Posting
Blasdel Building
209 East Musser Street
Carson City, Nevada 89701

Attn: Public Posting
Nevada DETR
2800 E. St. Louis Avenue
Las Vegas, Nevada 89104

Attn: Public Posting
Capital Building, Main Floor
101 North Carson Street
Carson City, Nevada 89701

Members of the public who are disabled and require special accommodations or assistance at the public hearing are requested to give written notice no later than five (5) working days before the hearing to: 3300 West Sahara Avenue, Suite 250, Las Vegas, Nevada, 89102, or Deputy Commissioner Mary Young at mmyoung@fid.state.nv.us.

**DRAFT PROPOSED REGULATION OF THE COMMISSIONER OF
THE FINANCIAL INSTITUTIONS DIVISION**

Proposed Regulations for Removal

Chapter 677

[NAC 677.074 “Commissioner” defined. (NRS 677.380) “Commissioner” has the meaning ascribed to it in NRS 677.065.]

[NAC 677.076 “Deposit” defined. (NRS 677.380) “Deposit” has the meaning ascribed to it in NRS 677.075.]

[NAC 677.085 “Licensee” defined. (NRS 677.380) “Licensee” has the meaning ascribed to it in NRS 677.110.]

Definitions already defined in statute

Chapter 678

[NAC 678.004 “Commissioner” defined. (NRS 678.250) “Commissioner” means the Commissioner of Financial Institutions.]

Definition already defined in statute

Chapter 676A

[NAC 676A.140 Extension and reinstatement after expiration. (NRS 676A.370, 676A.730, 676A.750)

1. A provider may continue to provide debt-management services after the expiration of the provider’s registration issued pursuant to chapter 676A of NRS if:
 - (a) The provider ceases to be registered solely due to the expiration of the provider’s registration;
 - (b) Not later than 10 days after the date the registration expires, the provider submits to the Commissioner a request for an extension; and
 - (c) Not later than 30 days after the provider requests the extension, the provider submits all fees, documents and information required by the Commissioner for reinstatement of the registration.
2. The Commissioner will not reinstate a registration that has expired if a provider:
 - (a) Has failed to request an extension; or
 - (b) Requested an extension but failed to submit all fees, documents and information required by the Commissioner pursuant to paragraph (c) of subsection 1 and the Commissioner did not grant another extension.
3. If the Commissioner does not reinstate a registration pursuant to subsection 2, the provider must apply for and be issued a new registration before the provider may provide debt-management services.
4. It is the duty of the registered provider to renew in a timely manner a registration issued pursuant to this chapter and chapter 676A of NRS. A lack of notice from the Division to any person concerning the expiration of a registration or the need to renew a registration is not a justification or excuse for the failure of the person to renew a registration in a timely manner and does not constitute grounds for the waiver of any of the requirements of this chapter or chapter 676A of NRS.]

Nationwide Multistate Licensing System is now codified in NRS 676A and replaces this section and requires for the license to be reinstated.

[NAC 676A.160 Disclosures by registered provider required. (NRS 676A.730) Before an individual assents to an agreement, the registered provider shall make the disclosures described in paragraph (a) of subsection 8 of NRS 676A.730.]

Regulation is not needed. It refers to the statute 676A.730

Chapter 628B

[NAC 628B.100 Submission by applicant of proof of citizenship or lawful entitlement to work in United States and residency; exception. (NRS 628B.210) Each natural person who applies for the issuance of a license to engage in the business of a private professional guardian pursuant to chapter 628B of NRS shall submit proof satisfactory to the Commissioner that he or she is:

1. A citizen of the United States or lawfully entitled to remain and work in the United States; and
2. A resident of this State, unless the applicant, if a nonresident, has obtained the prior approval of the Commissioner to apply for the issuance of a license to engage in the business of a private professional guardian.]

Regulation is not needed. Statute provides clear requirements for licensure.

Proposed Regulations for Amendment

Chapter 676A

NAC 676A.130 Expiration; fees for renewal and reinstatement. (NRS 676A.730)

1. A registration as a provider expires on **[June 30]** *December 31* of each year.
2. A registered provider shall pay annually to the Division a fee of \$1,500 for the renewal of the registration of the provider.
3. If the Commissioner reinstates an expired registration, the registered provider shall pay a reinstatement fee of \$1,500 in addition to the renewal fee prescribed in subsection 2.

Change the renewal date to align with NRS 676A.370, which changed in the 2021 session to incorporate the Nationwide Multistate Licensing System.

Chapter 662

NAC 662.010 Long-term capital notes or debentures: Approval before issuance. (NRS 658.105, 662.115) A bank may issue long-term capital notes or debentures only after having first received the written approval of the **[Administrator] *Commissioner* of Financial Institutions. The **[Administrator]** *Commissioner* will approve or deny such an issuance after considering whether it constitutes a sound banking practice and would be in the best interests of the depositors, creditors, and stockholders of the bank and the public in its relations with the bank.**

NAC 662.020 Long-term capital notes or debentures: Application for approval. (NRS 658.105, 662.115)

1. A bank which desires to obtain approval for the issuance of long-term capital notes or debentures must submit an application to the [Administrator] Commissioner of Financial Institutions.
2. The application must include:
 - (a) A statement explaining the need for and the proposed use of the money which the bank intends to borrow; and
 - (b) Three copies of the proposed long-term capital note or debenture.

NAC 662.030 Long-term capital notes or debentures: Consideration of application. (NRS 658.105, 662.115) The [Administrator] Commissioner of Financial Institutions will not consider a bank's application for or approve the issuance of its long-term capital notes or debentures unless:

1. The bylaws or articles of incorporation of the bank grant authority to its board of directors to issue the capital notes or debentures; or
2. The holders of two-thirds of the bank's capital stock have approved such an issuance at a stockholders' meeting. Before such a meeting, the bank shall mail or deliver to each stockholder a notice containing a statement that the proposal will be submitted at the meeting and a copy of the proposed debenture or agreement.

NAC 662.060 Long-term capital notes or debentures: Period of maturity. (NRS 658.105, 662.115) The [Administrator] Commissioner of Financial Institutions will prescribe periods of maturity not exceeding 25 years for any issue of such long-term capital notes or debentures, and the issuing bank shall establish a schedule of prepayments or an appropriate sinking fund for the amortization of the indebtedness.

NAC 662.070 Long-term capital notes or debentures: Conversion to stock. (NRS 658.105, 662.115) No such long-term capital notes or debentures may be converted into capital stock, either common or preferred, of the issuing bank without prior consent of the [Administrator] Commissioner of Financial Institutions.

Change "Administrator" to "Commissioner" since NRS 662 refers only to Commissioner of Financial Institutions Division and NAC 662 defines Commissioner and not Administrator.

Chapter 678

The whole chapter NAC 678 needs to be revised to NAC 672. NRS 672 was changed from NRS 678 and the NAC was never updated.