



**DEPARTMENT OF BUSINESS AND INDUSTRY
FINANCIAL INSTITUTIONS DIVISION**

**NOTICE OF INTENT TO ACT UPON A REGULATION
AND HEARING AGENDA**

Notice of Hearing for the Adoption of Regulations

The State of Nevada, Department of Business and Industry, Financial Institutions Division ("Division") will hold a public hearing on Wednesday, **January 24, 2024, at 10:00 a.m.** via Webex conference and in-person. The purpose of the hearing is to receive comments from all interested persons regarding the adoption of permanent regulations that pertain to Chapter 628B, 662, 672, 676A, 677 and 678 of the Nevada Administrative Code ("NAC").

Date: January 24, 2024

Time: 10:00 a.m. PST

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

<https://businessnv2.webex.com/businessnv2/j.php?MTID=m749e5a3ee2046f2c22e8d5fbab9b48de>

Meeting number (access code): 2486 306 8933

Meeting password: EO2023-003AH

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

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation and the adoption of Chapter 628B, 662, 672, 676A, 677 and 678 of the Nevada Administrative Code (“NAC”), LCB File No. R098-23, dated December 15, 2023.

The following information is provided pursuant to the requirements of the Nevada Revised Statutes (“NRS”) 233B.0603:

LCB File No. R098-23

A regulation relating to financial institutions; amending references to certain sections of the Nevada Revised Statutes in certain provisions related to credit unions; replacing references to the Administrator of Financial Institutions with references to the Commissioner of Financial Institutions; revising provisions related to the registration of providers of debt-management services; repealing certain obsolete or duplicative provisions; and providing other matters properly relating thereto.

1. Need for and purpose of the proposed regulation:

The regulation is required as a result of the Governor’s Lombardo Executive Order 2023-003.

2. Description of proposed regulation and the manner in which approved or revised text of the proposed regulation prepared by the Legislative Counsel Bureau (“LCB”) may be obtained.

The regulation proposed for adoption is stated in the attached Proposed Regulation of the Commissioner of the Financial Institutions Division, LCB File No. R098-23. This includes:

- NAC 628B- Removing an obsolete requirement.
- NAC 662 – Changing “Administrator” to “Commissioner” in several sections.
- NAC 676A- Revising the license renewal date and removing a conflicting procedure in existing regulations for the reinstatement of a registration.
- NAC 677- Repealing the definition of “Commissioner”, “Deposit” and “Licensee”.
- NAC 678- Updating internal references to section of the NRS that were moved in revision from chapter 678 of NRS to chapter 672 of NRS and repealing the definition of “Commissioner”.
- Other matters properly related thereto.

Access to the approved or revised text of the proposed regulation prepared by the LCB pursuant to NRS 233B.063 may be obtained by visiting the website of the Nevada Legislature at <http://www.leg.state.nv.us>, click “Register of Administrative Regulations” on the right-hand side of the home page, click “Numerical Index” appearing under the category “2023 Regulations.” Access may then be obtained by scrolling down the list of LCB File Numbers to seek “R098-23” or by performing a search function specifying LCB File Number “R098-23” and clicking upon the item(s).

3. Statement of estimated economic effect of the proposed regulation on the business of financial product or service providers and upon the public.

The estimated economic effect of the proposed regulation on the business which it is to regulate:

a. Adverse effect:

- i. Immediate effect- The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

- ii. Long-term effect- The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

b. Beneficial effect:

- i. Immediate effect- One comment from industry stated removing NAC 628B.100 allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.
- ii. Long-term effect- One comment from industry stated removing NAC 628B.100 allows for outside foreign investors to purchase and take

over any established existing private professional guardianship established business.

The Division has determined that the proposed regulation does not have an adverse economic impact on small business.

4. Statement identifying the methodology used by the Division in determining the impact of the proposed regulation upon a small business.

The Division reviewed the proposed regulation and preliminarily determined that it will not impose a direct and significant economic burden upon a small business, or directly restrict the formation, operation or expansion of a small business, because the proposed regulation does not require additional expense for the licensee to operate.

The Division vetted this preliminary determination by soliciting comments on the issue as part of the small business impact questionnaire and of its notice of workshop for the proposed regulation and in its e-mail notification to current licensees under the impacted chapters of the NRS, as well as the Division's regulatory action contact list. Additionally, the notice of workshop and small business impact statement was posted on the Division's website, the State's official website, the Nevada Legislature's website and at the public location of the Division's office in Las Vegas. Following the conducted workshop and consideration of the comments received during the workshop, which were zero (0), and comments from one entity who responded to the small business impact questionnaire, the Commissioner concluded that the proposed regulation does not impose a significant and direct burden upon a small business or restrict the formation, operation, or expansion of a small business.

5. The estimated cost to the agency for enforcement of the proposed regulation.

The Division does not anticipate any cost for enforcement of the proposed regulation since the regulation was merely repealing or revising certain obsolete or duplicate provisions and did not impact the meaning of the regulation.

6. Overlap or duplication with other state, local governmental or federal agencies.

To our knowledge, the proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

7. Existence of federal law requirement for proposed regulation or whether proposed regulation includes more stringent provisions than required by federal regulation governing same activity

The proposed regulation does not duplicate any existing federal, state, or local standards regulating the same activity.

8. Establishment of new fee or increase to existing fee.

The proposed regulation does not establishment new fees.

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 **January 16, 2024**. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Financial Institutions Division may proceed immediately to act upon any written submissions.

COPIES OF PROPOSED REGULATION

A copy of this notice and the proposed regulation to be adopted will be on file at the Nevada State Library & Archives, 100 N. Stewart Street, Carson City, Nevada, 89701, for inspection by members of the public during business hours. Additional copies of the notice and the proposed regulation to be adopted will be available at the Division's website at www.fid.nv.gov

This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this notice and the proposed regulation will also be mailed or emailed to members of the public upon request. A reasonable fee may be charged for copying.

We are pleased to make reasonable accommodations for attendees with disabilities. Please notify the Division of your request for reasonable accommodation as far in advance as possible via email fidmaster@fid.state.nv.us

Note that NRS 233B.064(2) provides as follows:

Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.

This Hearing Notice has been sent to all interested persons on the Division's mailing list for administrative regulations and posted at the following locations:

Posted at the Division's principal office/in-person physical location- 3300 W. Sahara, Ave., 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>

**NOTICE OF PUBLIC MEETING
TO CONDUCT A HEARING FOR ADOPTION
OF REGULATIONS OF THE COMMISSIONER OF THE FINANCIAL
INSTITUTIONS DIVISION
LCB FILE No. R098-23
AND
MEETING 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 628B, 662, 676A, 677, and 678 of the Nevada Administrative Code (“NAC”). The proposed regulations are required as a result of Governor’s Lombardo’s Executive Order 2023-003. A public meeting on this matter has been set for Wednesday, **January 24, 2024, at 10:00 a.m.**, via Webex conference and in-person.

Date: January 24, 2024

Time: 10:00 a.m. PST

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

<https://businessnv2.webex.com/businessnv2/j.php?MTID=m749e5a3ee2046f2c22e8d5fbab9b48de>

Meeting number (access code): 2486 306 8933
Meeting password: EO2023-003AH

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

The purpose of the meeting is to conduct a hearing of all interested persons regarding the following proposed regulation and for the Division to take possible action on the regulation’s adoption. Please submit any written comments no later than **January 16, 2024**.

LCB File No. R098-23

A regulation relating to financial institutions; amending references to certain sections of the Nevada Revised Statutes in certain provisions related to credit unions; replacing references to the Administrator of Financial Institutions with references to the Commissioner of Financial Institutions; revising provisions related to the registration of providers of debt-management services; repealing certain obsolete or duplicative provisions; and providing other matters properly relating thereto.

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

Notice of the meeting was provided via electronic means to all persons on the e-mail lists for noticing of administrative regulations maintained by the Division and licensees this regulation affects. This *Notice of Public Meeting* was posted to the agency's website at [Proposed Regulations \(nv.gov\)/](http://ProposedRegulations.nv.gov/), the Nevada Legislature's website at <http://www.leg.state.nv.us>.

HEARING AGENDA

The State of Nevada, Department of Business and Industry, Financial Institutions Division
January 24, 2024 • 10:00 a.m.

The purpose of this public hearing is to receive final comments from all interested persons regarding this permanent regulation pertaining to Chapter 628B, 662, 672, 676A, 677 and 678 of the Nevada Administrative Code (“NAC”). LCB File No. R098-23, dated December 15, 2023.

1. Open Hearing: R098-23.
2. Public comment.
3. Presentation and Discussion of Proposed Regulation. (For Possible Action)

LCB File No. R098-23

Governor Lombardo’s Executive Order- NAC chapters 628B, 62, 672,676, 677 and 678

4. Adoption of Proposed Regulation R098-23 (For Possible Action)
5. Public Comment.
6. Close Hearing: R098-23. (Adjournment)

Supporting public material for this workshop may be requested from Mary Young, Deputy Commissioner, Financial Institutions Division, 3300 W. Sahara Avenue, Suite 250, Las Vegas, Nevada 89102, (702) 486-4120 or fidmaster@fid.state.nv.us

Note: Any agenda item may be taken out of order; items may be combined for consideration by the public body; items may be pulled or removed from the agenda at any time; and discussion relating to an item may be delayed or continued at any time. The Hearing Officer, within his/her discretion, may allow for public comment on individual agenda items. Public comment may be limited to three minutes per speaker. Members of the public are encouraged to submit written comments for the record.

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

LCB File No. R098-23

December 15, 2023

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

AUTHORITY: § 1, NRS 604A.300, 604A.605 and 672.250; §§ 2-7, NRS 658.105 and 662.115; § 8, NRS 676A.370, 676A.410 and 676A.730; § 9, NRS 672.250; § 10, NRS 672.250 and 672.710; § 11, NRS 672.250, 672.270 and 672.310; § 12, NRS 672.250, 672.370 and 672.420; § 13, NRS 672.250 and 672.680; § 14, NRS 672.250 and 672.760; § 15, NRS 672.250 and 672.790; § 16, NRS 672.250 and 672.270; § 17, NRS 672.250 and 672.3435; § 18, NRS 672.250 and 672.875; § 19, NRS 628.210, 658.105, 662.115, 672.250, 676A.370, 676A.410 and 677.380.

A REGULATION relating to financial institutions; amending references to certain sections of the Nevada Revised Statutes in certain provisions related to credit unions; replacing references to the Administrator of Financial Institutions with references to the Commissioner of Financial Institutions; revising provisions related to the registration of providers of debt-management services; repealing certain obsolete or duplicative provisions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law sets forth requirements for the formation, licensure, operation and governance of credit unions. (Chapter 672 of NRS) **Sections 1 and 10-18** of this regulation update internal references to sections of the Nevada Revised Statutes that were moved in revision from chapter 678 of NRS to chapter 672 of NRS. Existing law establishes the position of the Commissioner of Financial Institutions. (NRS 657.026) **Sections 3-7** of this regulation replace references to the obsolete term “Administrator of Financial Institutions” with references to the Commissioner.

Existing law, with certain exceptions, prohibits a person from providing debt- management services in this State unless the person obtains a registration from the Commissioner. (NRS 676A.300) Existing law authorizes the registration of providers of debt- management services through the use of the Nationwide Multistate Licensing System and Registry. (NRS 676A.410) The registration of a provider of debt-management services through the Registry expires on December 31 of each year unless the registration is renewed. (NRS 676A.320, 676A.370, 676A.410) **Section 8** of this regulation changes the annual expiration date of such a registration from June 30 to December 31 to reflect the use of the Registry for the registration of providers of debt-management services in this State. Under existing law, if a registration as a provider of debt-management services is not renewed between November 1 and December 31 of any year, the registration is cancelled as of December 31 of that year. If a registration as a provider of debt-management services is cancelled because of the failure to timely renew the registration, the provider of debt- management services may reinstate the registration by submitting to the Commissioner all information and fees required to renew and reinstate the registration not later than February 28 following the cancellation of the registration. (NRS 676A.370) **Section 19** of this regulation removes a conflicting procedure in existing regulations for the reinstatement of a registration as a provider of debt-management services. (NAC 676A.140) Existing law, with certain exceptions, prohibits a person from serving as a private professional guardian for

protected persons unless the person is: (1) a natural person who is certified by the Center for Guardianship Certification, or any successor organization, and is employed by a corporation, limited-liability company, partnership or other type of entity that is licensed by the Commissioner as a private professional guardian; or (2) is an entity that is licensed by the Commissioner and satisfies certain other requirements. (NRS 159.0595, 628B.300) Because existing law only requires an entity to have a license from the Commissioner, **section 19** removes an obsolete requirement for the licensure of natural persons as private professional guardians. (NAC 628B.100) Existing law provides that the words and terms defined in the Nevada Revised Statutes have the same meaning in corresponding provisions of the Nevada Administrative Code. (NRS 0.024) **Section 19** removes definitions of terms in regulations governing thrift companies and credit unions for which a definition is currently set forth in Nevada Revised Statutes. (NRS 672.061, 677.065, 677.075, 677.110; NAC 677.074, 677.076, 677.085, 678.004) **Sections 2 and 9** make conforming changes related to the removal of these definitions.

Section 1. NAC 657.010 is hereby amended to read as follows:

657.010 In addition to any other information required by law, the Commissioner of Financial Institutions may require an applicant for a license, a certificate, permission to organize or approval of a change of control pursuant to chapter ~~604,~~ **604A**, 645A, 645B, 649, 659, 671, **672**, 673, 675 ~~]~~ **or** 677 ~~[or 678]~~ of NRS to submit a fingerprint card with his or her application. Fingerprints must be taken by a recognized law enforcement agency.

Sec. 2. NAC 662.003 is hereby amended to read as follows:

662.003 ~~["Depository]~~ *As used in this chapter, unless the context otherwise requires, "depository institution affiliate" means a depository institution that directly or indirectly, through one or more intermediaries, is controlled by or is under common control with another depository institution.*

Sec. 3. NAC 662.010 is hereby amended to read as follows:

662.010 A bank may issue long-term capital notes or debentures only after having first received the written approval of the ~~[Administrator of Financial Institutions.]~~ **Commissioner**. 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.

Sec. 4. NAC 662.020 is hereby amended to read as follows:

662.020 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 of Financial Institutions.]~~

Commissioner.

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.

Sec. 5. NAC 662.030 is hereby amended to read as follows:

662.030 The ~~[Administrator of Financial Institutions]~~ *Commissioner* 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.

Sec. 6. NAC 662.060 is hereby amended to read as follows:

662.060 The ~~[Administrator of Financial Institutions]~~ *Commissioner* 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.

Sec. 7. NAC 662.070 is hereby amended to read as follows:

662.070 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 of~~

~~Financial Institutions.] Commissioner.~~

Sec. 8. NAC 676A.130 is hereby amended to read as follows:

676A.130 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.

Sec. 9. NAC 678.006 is hereby amended to read as follows:

678.006 ~~["Division"]~~ *As used in this chapter, unless the context otherwise requires,*

"Division" means the Division of Financial Institutions of the Department of Business and Industry.

Sec. 10. NAC 678.008 is hereby amended to read as follows:

678.008 For the purposes of this chapter and NRS ~~[678.710.]~~ *672.710*, the Division shall interpret the term "unimpaired capital and surplus" to mean shares plus postclosing, undivided earnings. The term does not include regular reserves or special reserves required by this chapter or chapter ~~[678]~~ *672* of NRS.

Sec. 11. NAC 678.010 is hereby amended to read as follows:

678.010 1. Any person desiring to form a credit union pursuant to chapter ~~[678]~~ *672* of NRS must:

(a) Complete the Organization Certificate, Confidential Report of Officials, Agreement by Director and Committeemen to Serve, Report of Officials and Credit Union Investigation Report provided by the Commissioner.

(b) Submit the forms required by paragraph (a) to the Commissioner, together with an investigation fee of \$750 and a charter fee of \$300.

2. The Commissioner will investigate and determine whether the proposed Organization Certificate conforms to the requirements of chapter ~~[678]~~ *672* of NRS

concerning the general character and fitness of the subscribers thereto, and determine the economic feasibility of establishing the proposed credit union.

3. If the Commissioner is satisfied that the qualifications have been met, he or she will issue a charter to the proposed credit union.

Sec. 12. NAC 678.030 is hereby amended to read as follows:

678.030 1. All fidelity bonds must provide coverage for the faithful performance of any officer or employee while carrying out any of the duties of the treasurer as prescribed in chapter ~~678~~ 672 of NRS, the bylaws, or rules and regulations.

2. No form of fidelity bond coverage may be used by a credit union except a form which is approved by the Commissioner.

3. For the purpose of this section, forms of fidelity bond coverage for credit unions that are provided by surety companies authorized to do business in this State are approved.

4. The Commissioner may require additional fidelity bond coverage for any credit union when, in his or her opinion, the bonds in force are insufficient to provide adequate coverage. The board of directors of the credit union shall obtain such additional coverage within 30 days after the date of written notice from the Commissioner.

5. All surety companies writing credit union fidelity bonds must hold a Certificate of Authority from the Secretary of the Treasury pursuant to 31 U.S.C. §§ 9304-9308 as an acceptable surety on federal bonds in this State.

6. The board of directors of each credit union shall provide proper protection to meet any circumstance described in subsection 1 of NRS ~~678.370~~ 672.370 by obtaining adequate bond and insurance coverage.

Sec. 13. NAC 678.070 is hereby amended to read as follows:

678.070 If the Commissioner deems the reserves required by NRS ~~678.670~~ 672.670

inadequate to cover a credit union's delinquent loans, the Commissioner will require, upon 5 days' written notice, that the credit union maintain a special reserve against losses equal to 10 percent of the loan balance on all accounts that are between 2 and 6 months delinquent, plus 25 percent of the loan balances on all accounts that are between 7 and 12 months delinquent, plus 80 percent of the loan balances on all accounts that are more than 12 months delinquent.

Sec. 14. NAC 678.100 is hereby amended to read as follows:

678.100 The stocks and bonds which the Commissioner approves as investments for credit unions pursuant to subsection 8 of NRS ~~678.760~~ 672.760 are the stocks and bonds which are

accorded one of the top two ratings by a statistical rating organization that is nationally recognized by the Securities and Exchange Commission. Investment by a credit union in securities which are provisionally rated is prohibited.

Sec. 15. NAC 678.130 is hereby amended to read as follows:

678.130 Any examination required by the provisions of chapter ~~678~~ 672 of NRS must be conducted in accordance with the procedures established by the Commissioner.

Sec. 16. NAC 678.150 is hereby amended to read as follows:

678.150 1. On or before June 30 of each year, the Commissioner will collect a fee from each credit union for the supervision and examination of the credit union pursuant to chapter ~~678~~ 672 of NRS.

2. The fee is based on the portion of the annual budget approved by the Legislature for expenses related to the operations of the Commissioner and the Division minus all other revenues collected by the Division, not including reserves. Each credit union shall pay a share of that amount as determined by the following schedule:

<u>Total Assets</u>	<u>Base Fee</u>	<u>+ Fee Exceeding Base</u>
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Less than \$5,000,000	\$5,000	N/A
\$5,000,000 or more, but less than \$10,000,000	5,000	\$.25 per thousand of assets exceeding \$5,000,000
\$10,000,000 or more, but less than \$50,000,000	6,250	\$.19 per thousand of assets exceeding \$10,000,000
\$50,000,000 or more, but less than \$100,000,000	13,850	\$.12 per thousand of assets exceeding \$50,000,000
\$100,000,000 or more, but less than \$500,000,000	19,850	\$.10 per thousand of assets exceeding \$100,000,000
\$500,000,000 or more, but less than \$1,000,000,000	59,850	\$.07 per thousand of assets exceeding \$500,000,000
\$1,000,000,000 or more, but less than \$3,000,000,000	94,850	\$.05 per thousand of assets exceeding \$1,000,000,000
\$3,000,000,000 or more, but less than \$10,000,000,000	194,850	\$.03 per thousand of assets exceeding \$3,000,000,000

\$10,000,000,000 or more,	404,850	\$.02 per thousand of assets
but less than		exceeding \$10,000,000,000
\$20,000,000,000		
\$20,000,000,000 or more	604,850	\$.01 per thousand of assets
		exceeding \$20,000,000,000

Any adjustment to the fee must be made in a proportionate amount that is based on the relationship that the fee determined for each credit union bears to the total fee imposed on all credit unions licensed pursuant to chapter ~~678~~ 672 of NRS. The fee is calculated as of June 1 of each year based upon the number of credit unions and the total assets of each credit union as of December 31 of the previous year.

3. If the fee is not paid on or before June 30, the Commissioner will assess a penalty of 10 percent of the amount of the fee and an additional 1 percent of the fee for each month or portion of a month that the fee is not paid. The Commissioner may waive the penalty for good cause.

4. The fee does not include the cost of any extraordinary examination, audit, investigation or hearing conducted by the Division. The cost of any such examination, audit, investigation or hearing is \$75 per hour.

Sec. 17. NAC 678.165 is hereby amended to read as follows:

678.165 1. An application for an initial certificate of authority submitted by a foreign credit union pursuant to NRS ~~678.343~~ 672.343 must be accompanied by a nonrefundable fee of \$750.

2. The annual fee for renewal for:

(a) The initial office is \$750; and

(b) Each branch office is \$150.

Sec. 18. NAC 678.200 is hereby amended to read as follows:

678.200 For the purpose of NRS ~~678.875,~~ 672.875, “risk assets” has the meaning ascribed to it in NRS ~~678.690,~~ 672.690.

Sec. 19. NAC 628B.100, 662.001, 662.002, 676A.140, 677.074, 677.076, 677.085, 678.002 and 678.004 are hereby repealed.

TEXT OF REPEALED SECTIONS

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.

662.01 Definitions. (NRS 658.105) As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 662.002 and 662.003 have the meanings ascribed to them in those sections.

662.02 “Commissioner” defined. (NRS 658.105) “Commissioner” means the Commissioner of Financial Institutions.

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.

677.074 "Commissioner" defined. (NRS 677.380) "Commissioner" has the

meaning ascribed to it in NRS 677.065.

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

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

678.002 Definitions. (NRS 678.250) As used in this chapter, unless the context otherwise requires, the words and terms defined in NAC 678.004 and 678.006 have the meanings ascribed to them in those sections.

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

**SMALL BUSINESS IMPACT STATEMENT FOR PROPOSED REGULATIONS BY
THE FINANCIAL INSTITUTIONS DIVISION (Division)
TO GOVERNOR LOMBARDO'S EXECUTIVE ORDER 2023-003
September 19, 2023**

1. Small Business Impact Statement pursuant to NRS 233B.0609:

(a) A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.

(I) Solicitation of affected small businesses.

The Division sought comments in accordance with NRS 233B.0608 for the purpose of considering whether as a result of the proposed regulations, there may be a direct and significant economic burden upon small business (defined as fewer than 150 employees) or if the regulations will directly restrict the formation, operation or expansion of a small business seeking to engage in or who desire to engage in the business of money transmission, to ensure that there is established in this state an adequate, efficient and competitive service available to the general public.

The Division composed the solicitation list from current licensees under Nevada Revised Statutes chapter 628B, 662, 676A, 677 and 678, and all known interested parties. In turn, the Division solicited comments on the proposed regulations for Governor Lombardo's Executive Order 2023-003 (E.O. 2023-003) from the above lists by emailing a notice and questionnaire. Additionally, a copy of the full text of the proposed regulations was emailed and posted to the Division's website. The solicited comments were used to formulate this Small Business Impact Statement.

(II) Summary of responses.

See attached spreadsheet.

(III) Obtain a copy of the summary.

This Small Business Impact Statement was posted on the NFID website dated October 16, 2023, along with a Notice of Workshop for November 2, 2023. Interested persons may also obtain a copy of the Small Business Impact Statement by contacting the:

**Office of the Commissioner
Financial Institutions Division
3300 W. Sahara Avenue, Suite 250
Las Vegas, NV 89102
Email: FIDMaster@fid.state.nv.us
Telephone: (702) 486-4120
Website: <http://fid.nv.gov>**

(b) The manner in which the analysis was conducted.

Pursuant to NRS 233B.0608(1), the Division made a concerted effort to determine whether the proposed regulations are likely to impose a direct and significant economic burden upon a small business; or directly restrict the formation, operation or expansion of a small business. For this effort, the Division sent a copy of the draft regulations and a Small Business Impact Questionnaire to all known interested parties for review and invited written comment regarding the impact to the entities, NFID took all comments submitted into consideration.

Following review of the written comment from the industry, the Division has determined that the proposed regulation is unlikely to impose a direct and significant economic burden upon a small business; result in any direct or indirect adverse effects on small business; or directly restrict the formation, operation, or expansion of a small business.

(c) The estimated economic effect of the proposed regulation on the small businesses which it is to regulate including, without limitation:

(1) Both Adverse and Beneficial effects:

(I) ADVERSE EFFECTS:

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.

(II) BENEFICIAL EFFECTS:

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.

The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.

(2) Both Direct and Indirect effects:

(I) DIRECT EFFECTS:

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100 will open up the industry to unexperienced foreign investors all over the world and non-Nevada residents to operate in Nevada. That the proposed change would increase licensing fees to the industry.

Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location, the expertise to operate as a private professional guardian, and the court appointing a protected person to the licensed entity. The Division does not foresee any increase in fees for the Division, applicants or licensees.

During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.

(II) INDIRECT EFFECTS:

From the five industries the proposed regulation will impact, the Division received comments from one licensee. The concern is removing NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.

The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.

(d) A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Division sent out 102 small business questionnaires to all known interested parties. It received a total of ten (10) responses to the solicitation. One (1) small business provided comment, four (4) responded with N/A or no impact, and five (5) responded with no comment because they were over the small business threshold of 150 employees. The Division has considered and analyzed the one submitted comment and addressed those comment in the attached summary of response spreadsheet.

(e) The estimated cost to the agency for enforcement of the proposed regulation.

There is no cost associated with revising and/or removing these regulations. The Division does not foresee the need for any additional funding or budget increase.

(f) If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect, and the manner in which the money will be used.

No fees are being proposed.

(g) If the proposed regulation includes provisions which duplicate or are more stringent than federal, state, or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.

To the Division's knowledge, the proposed regulations do not duplicate any existing federal, state, or local standards regulating the same activity.

(h) The reasons for the conclusions of the agency regarding the impact of the regulation on small businesses.

This is a result of Governor Lombardo's Executive Order 2023-003, for the Division to conduct a comprehensive review of its regulations. The changes made to the regulations does not impose an economy burden to small business.

To the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained in this Small Business Impact Statement was prepared properly and accurate.

The image shows a blue ink signature of Sandy O'Laughlin written over the Great Seal of the State of Nevada. The seal is circular and features a landscape with a mountain, a river, and a sun, surrounded by the text "THE GREAT SEAL OF THE STATE OF NEVADA".

Sandy O'Laughlin
Commissioner
Financial Institutions Division
State of Nevada, Department of Business and Industry

<u>EO 2023-003- Governor's Executive Order- Direct or Indirect Impact Item from Small Businesses</u>	<u>Number/ and %</u>	<u>Direct or Indirect</u>	<u>Adverse or Beneficial</u>	<u>NFID Answer/Mitigation</u>
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<p>Comment regarding Section 1, NAC 628B.100. The proposed regulation would allow any individual residing anywhere in the world to own a specialized and state specific industry and potentially serve as a guardian for the most vulnerable Nevada residents and we don't know the full economic impact the opening of this door will have on the industry in Nevada.</p>	<p>1 (100.00%)</p>	<p>Direct</p>	<p>Adverse</p>	<p>Anyone applying for licensure under Chapter 628B will still have to follow the statutory requirements, including but not limited to, having a guardian who is a permanent resident of Nevada at the licensed location. NRS 628B.520.</p> <p>During the review of its regulations, it was decided section NAC 628.100 was not needed because statute provides clear requirements for licensure, and it removed the requirement for an individual to be a United States citizen. The removal of the United States citizenship requirement is consistent with updating current statutes and regulations in this State to remove such requirement.</p>
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<p>Comment regarding Section 1, NAC 628B.100. The proposed change allows for outside foreign investors to purchase and take over any established existing private professional guardianship established business.</p>	<p>1 (100.00%)</p>	<p>Direct</p>	<p>Beneficial</p>	<p>The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.</p>
<p>Comment regarding Section 1, NAC 628B.100. The proposed change would likely increase pass-through expenses (licensing fees) to Private Professional Guardians due to increased state costs to complete license application approvals (financial status, solvency, bankruptcy-potentially international applicants) and ensuring that these license applicants comply with NAC 628B.120 and allows for outside investors with little or no knowledge or expertise in professional guardianship setting Nevada Guardians back in time and diluting our hard work establishing a fiduciary status and professional relationships.</p>	<p>1 (100.00%)</p>	<p>Indirect</p>	<p>Adverse</p>	<p>The Division does not anticipate any increase in time or expenses for the Division, applicants, or licensees.</p> <p>Anyone applying for licensure under NRS Chapter 628B will still have to follow the statutory requirements, including but not limited to, the need to have experience and the courts appointing protected persons to a licensed entity.</p>

<p>Comment regarding Section 1, NAC 628B.100. The proposed change allows for outside foreign investors, including those residing in foreign countries.</p>	<p>1 (100.00%)</p>	<p>Indirect</p>	<p>Beneficial</p>	<p>The license is not transferable. The foreign investors would need a licensee to agree to sell the company, and the approval of the Division and any applicable court of jurisdiction.</p>

SBI Response Summary:

Total Known Interested Parties Solicited: 102

Total Responded with Comments: 1

Total Responded with N/A: 4

Total Responded with over 150 Employees (outside the small business threshold): 5

Total Comments Impacting the SBI % (Total Known Interested Parties Solicited - N/A - over 150 Employees=): 93

% Responded/Total Solicited (10/102): 9.8%

% Responded with Comments/Total Comments Impacting SBI (1/93): 1.08%